

**Appendix D**  
**HOME 2024 NOFA**  
**Scoring Factors**

In addition to this Appendix D, Section IV (Application Review) of the HOME NOFA describes all other requirements for the HOME application review, including threshold and feasibility requirements. Please read the NOFA and all appendices in their entirety, along with the HOME Rental Project Supplemental Application for exact documentation required for submission.

If you have any questions regarding your jurisdiction's eligibility or ineligibility, please contact [HOMENOFA@hcd.ca.gov](mailto:HOMENOFA@hcd.ca.gov).

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## I. HOME Project Activities

HOME Project Activities include Multi-Family Rental Projects (new construction, acquisition only, and/or rehabilitation with or without acquisition), and First-Time Homebuyer Projects (subdivision development).

Pursuant to 25 C.C.R. § 8212(d)(5), HOME Project Activity applications must receive a minimum score of 930 points out of a potential 1550 points in the following categories, to be funded.

Table – HOME Project Activities	
Minimum Score Required	930
Total Available Points	1550

### A. Factor: Housing Element – 50 points

Applicants that meet the definition of a Local Public Entity (cities and counties) are required to be in substantive compliance with state Housing Element Law, as defined in 25 C.C.R. § 8201(t), as of the NOFA application due date. The current Housing Element Compliance Report can be found at <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report>. Newly-incorporated cities are exempt from this factor, until such time as the city is required to submit its housing element to the Department for approval. It is the responsibility of the city to know its reporting requirements. If unsure, please send an email inquiry to the HOME Program at [HOMENOFA@hcd.ca.gov](mailto:HOMENOFA@hcd.ca.gov).

CHDOs, Developers, and NAE-FRTs whose Project or Program Activity is located on Native American Lands, are exempt from this requirement and shall receive full points for this scoring factor.

### B. Factor: HUD Direct HOME Allocation (Declined) – 50 points

A jurisdiction that is eligible to receive a direct HOME allocation from HUD and declines the funding to preserve their state HOME eligibility shall receive full points for this scoring factor.

### C. Factor: Rural Communities – 50 points

Activities proposed in rural communities (as defined in the HSC § 50199.21) shall receive full points for this scoring factor.

#### **D. Factor: Capacity (Prior Applicant Experience) – 50 points**

Applicants that demonstrate experience implementing local, state, or federal funding for affordable housing (creation or preservation of) and/or community development projects, during the most-recent seven (7) calendar years (1/1/2018 – 12/31/2024), plus 2025 year-to-date, shall receive points for this scoring factor. List no more than 10 entries of housing and/or community development experience.

- 10 points awarded for each project completed creating 2 or more units of affordable housing and for each year in which at least 2 households were assisted using program activities funds (e.g., downpayment assistance, single-family rehabilitation, tenant-based rental assistance) (maximum of 50 points); and/or
- 10 points awarded for each community development project implemented (maximum of 50 points).

All Applicants: Please be sure to complete and include in your application the Experience worksheet in Section K of the HOME Rental Project Supplemental Application, listing your prior awards, to get points in this category.

Native American Entities: Experience may include implementation of affordable housing and/or community development activities under the NAHASDA program.

#### **E. Factor: Capacity (Prior Developer Team Experience) – 200 points**

Applicants that demonstrate experience developing the same type of subsidized project as proposed in the application, during the last five (5) calendar years (1/1/2020 – 12/31/2024), plus 2025 year-to-date, shall receive points for this scoring factor. Experience can be demonstrated by any member of the development team (applicant, owner, Developer, and managing general partner).

- 1 project completed — 100 points
- 2 projects completed — 150 points
- 3 projects completed — 200 points

All Applicants: Please be sure to complete the Experience worksheet in the Universal Application, listing your prior related development experience, to get points in this category.

#### **F. Factor: Capacity – Prior Performance – up to 200 points deducted**

For prior performance scoring, all applications receive the maximum 200 points for the factor. As applications are reviewed and rated, points will **be deducted** for each of the following sub-factor deficiencies up to a maximum 200-point deduction.

- **Sub-factor #1: Project Deadlines – up to 200 points deducted**

If, by the NOFA application due date, an Applicant, Developer, owner, and/or managing general partner of any HOME Project contract (rental and FT HB) awarded between 1/1/2020 – 12/31/2024, failed to meet the Project deadlines (milestones) as outlined in the Standard Agreement, unless extended in writing by the Department, points shall be deducted for this scoring sub-factor as follows:

- Permanent financing deadline — (5 points)
- Project set-up deadline — (10 points)
- Construction loan-closing deadline — (10 points)
- Project Completion deadline — (80 points)
- Expenditure deadline — (20 points)

- **Sub-factor #2: Applicant Reporting – up to 50 points deducted**

Reporting is an essential condition and a responsibility of accepting HOME funds; therefore, Applicants that were required to submit reports but failed to do so are subject to a deduction of up to 50 points. Applicants may submit missing reports prior to the application deadline to reduce the number of points deducted.

This applies to any HOME Project monthly and/or quarterly PI reports, annual reports, and Project Completion reports due between 1/1/2020 – 12/31/2024.

- Late or missing Monthly Project Status Reports — (5 points deducted for each missing report, 2 points deducted for each late report)
- Late or missing Quarterly Program Income Reports (QPIR), if applicable — (5 points deducted for each missing report, 2 points deducted for each late report)
- Late or missing Annual Performance Reports (APRs), applicable to State Recipients only — (25 points deducted for each missing report, 10 points deducted for each late report)
- Late or missing Project Completion Reports (PCRs) — (50 points deducted for each missing report, 25 points deducted for each late report)

- **Sub-factor #3: Material Misrepresentation – up to 200 points deducted**

If between 1/1/2020 – 12/31/2024, an Applicant, Developer, owner, and/or managing general partner made any material misrepresentation or omission in the HOME application, application documentation, Project reports, and/or any other document, significant in nature, that could jeopardize the Department's HOME funding in a

Project or place the Department at risk of a HUD monitoring finding, up to 200 points shall deducted for this scoring sub-factor. This is evidenced by receipt of a letter from the Department outlining the infraction and the points deduction levied by the Department.

- **Sub-factor #4: Monitoring Noncompliance (1/1/2020 – 12/31/2024) – up to 100 points deducted**

There are two noncompliance categories, for which up to 100 points may be deducted:

- Monitoring. Points will be deducted in this category for any application for which the Applicant, owner, and/or managing general partner have failed to remedy any HOME monitoring findings and concerns, identified by the Department.
- Late reports. Points will be deducted in this category for which the Applicant, owner, and/or managing general partner failed to submit timely reports due between 1/1/2020 – 12/31/2024 for occupied HOME rental Projects. Point deductions shall be as follows:

#### Local Public Entity

- Annual monitoring report — (10 points each)
- Annual report — (10 points each)

(including financial audit, schedule of rental income, and annual affirmative marketing analysis)

#### CHDOs/Developers

- Annual operating budget — (10 points each)
- Annual report — (10 points each)

(including financial audit, schedule of rental income, and annual affirmative marketing analysis)

### **G. Factor: Community Need – 250 points**

The community need point scoring by activity type is based on the data available in Appendix C at the [HOME website](#).

### **H. Factor: Project Feasibility – 200 points**

- State and federal requirements (including UMRs for rental Projects) – 150 points

To receive the full 150 points, Applicant must submit the completed self-

evaluation feasibility worksheets within the eCivis application.

- Highest percentage of HOME-assisted units – Up to 50 points

Points will be awarded within five scoring levels, ranging from 10 to 50 points, based on the highest number of HOME units proposed in a Project. See table below.

<b>Table – Subfactor Scoring Breakdown</b>	
<b>Percentage of HOME-units Proposed</b>	<b>Points Received</b>
20%	10 points
35%	20 points
50%	30 points
70%	40 points
100%	50 points

### **I. Factor: Project Readiness – 300 points**

The Project Readiness point scoring is based on activity type. Project readiness factors and documentation minimum requirements are further detailed in the HOME Rental Project Supplemental Application, found at the Department’s [HOME Program website](#).

Project Development Plan (PDP). Points will be awarded if the following required\* items were prepared and submitted within the applicable timeframes and meet the minimum requirements as specified in the HOME Rental Project Supplemental Application. The PDP will be reviewed on applications scored high enough for funding.

\*The Geotechnical Report is not required as part of the application and will not be considered for scoring purposes.

For Projects proposing rehabilitation, please review HOME/NHTF Multifamily Rehabilitation Standards found here:

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/home-nhtf-multifamily-rehabilitation-standards-2023.pdf>

## **1. Rental New Construction Projects**

Points will be awarded based on the following complete documents submitted with the application:

### **– Market Study (35 points)**

Points will be awarded for a rental market study prepared no earlier than 2024 in accordance with the current California Tax Credit Allocation Committee (CTCAC) most recent Market Study Guidelines, CTCAC Market study Guidelines can be found on the CTCAC website [Market Study Guidelines \(ca.gov\)](https://www.ctcac.ca.gov/Market-Study-Guidelines)

All requirements regarding market studies are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

### **– Appraisal (10 points)**

The appraisal must be prepared no earlier than 2024. An appraisal is required for any purchase, if any debt will be assumed, and if any exit taxes or payments are to be paid.

All requirements regarding appraisals are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

### **– Phase I/II Environmental Report (35 points)**

Points will be awarded for reports prepared according to the following: a Phase I site assessment meeting ASTM Standard E1527-21 and a Phase II site assessment, if recommended by the Phase I, meeting ASTM Standard E1903-19. All reports must be prepared according to these ASTM standards, except as discussed below. The Phase I/VES report must be prepared no earlier than 2023, and the Phase II report must be prepared no earlier than 2023. The Phase I/II/VES reports may be prepared by different firms.

All requirements regarding Phase I/II environmental reports are further outlined in the Project Development Plan section in the HOME Rental Project Supplemental Application.

### **– Floodplain Analysis (25 points)**



All Applicants must submit a FEMA Flood Hazard Determination Form, OMB #1660 - 0040 (or later form number) issued by a flood certification service, or other appropriate independent third party prepared no earlier than 2024.

In addition to the FEMA Form listed above, Projects where the buildings are located in a flood hazard area need to submit one of the following:

- Any additional documentation necessary to confirm that the floodplain is incidental to the Project; or
- A FEMA Conditional Letter of Map Revision; or
- A narrative explaining your intent to obtain a FEMA Conditional Letter of Map Revision; or
- A narrative and supporting documentation with the HOME application which discusses with specificity the following: (1) the sites outside of the floodplain that were considered for the Project and the reasons for rejection of these sites; (2) the negative and positive impacts of building in a floodplain; (3) the steps that have been or will be taken to minimize the negative impacts to lives and property of building in a floodplain.

All requirements regarding the Floodplain Analysis and flood insurance are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Construction Cost Estimate (5 points)

Points will be awarded for the completed form located in the HOME Rental Project Supplemental Application, providing an itemized cost estimate. The cost estimate must be prepared no earlier than 2024. The cost estimate must be consistent with the Development Budget, or an explanation must be provided to support any differences.

All requirements regarding the construction cost estimate are further outlined in the HOME Rental Project Supplemental Application.

- Relocation General Information Notice and Relocation Plan (30 points)

Provide a comprehensive narrative covering the history to date of the developer's negotiations with the seller and other funding sources to support the Initiation of Negotiations (ION) date, along with the date of the ION. If the GIN was not provided at the same time as the Initiation of Negotiations, the narrative must explain the corrective actions. In addition, include the following: (1) a copy of the GIN, signed acknowledgement of hand-delivery to each tenant or other proof of delivery (i.e., return receipt requested), and the list of notified tenants to include the apartment unit number; (2) a Project-specific relocation study/plan

summarizing the estimated cost and methodology for calculating the relocation expenses, and (3) a certified Rent Roll on the ION date showing unit number, household size, household income, tenant name, move in date, last income certification date (as appropriate), tenants receiving a rental subsidy (i.e., Section 8 vouchers, etc.), and rent (at ION and current). These documents should be *no older than six months prior to the application due date listed in the NOFA.*

All requirements regarding relocation are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

– Zoning Verification (40 points)

Points will be awarded if the Project, as proposed, is zoned for the intended use, complies with the general plan, and with conditional use requirements, if any. To receive points, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding the zoning verification are further outlined in the Verification of Zoning and Other Local Approvals section of the HOME Rental Project Supplemental Application.

– Water/Sewer (5 points)

Points will be awarded if both water and sewer services are currently available with sufficient capacity to serve the Project as proposed. To receive points, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding water/sewer readiness are further outlined in the HOME Rental Project Supplemental Application.

– Local Government Approval (80 points)

Points will be awarded if all required local approvals have been obtained at the time of application submission, including any streamlined ministerial processes. To receive points, approvals must be obtained and not pending; plus, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding local government approval are further outlined in the HOME Rental Project Supplemental Application.

NOTE: In order to get points in this category, the application must also get points in the zoning verification and water/sewer readiness sections above.

– Design Progress (10 points)

Points will be awarded on a sliding scale based on the design documents obtained below, including but not limited to components of an architectural

design; a letter from architect stating how far plans are; and an executed architecture agreement.

- To receive points in this category, Applicants must submit an executed agreement with the architectural firm identified on the Universal Application for the design (through working drawings) of this project.
- In addition to the executed agreement with the architectural firms, Applicants must also include status of plans and specifications on which the cost estimates reflected in the Sources and Uses tab of the Universal Application. To receive points, submit a letter from the architect identified on the Universal Application which gives the status of plans and specifications on which these costs were based:
  - Plans and specifications ready to be submitted to the building department (10 points)
  - Preliminary plans and specifications (7 points)
  - Conceptual (elevations and floor plans) (5 points)
- Permanent Financing Commitments (25 points)

Points will be awarded for providing an “Enforceable Funding Commitment (EFC)” demonstrating readiness for the Project. For this purpose, an EFC means a letter or other document, in form and substance satisfactory to the Department, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

- The name of the Applicant;
- The Project name;
- The Project site address, assessor’s parcel number, or legal description; and
- The amount, interest rate (if any), and terms of the funding source.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as “subject to senior management approval,” or a statement that omits the word “commitment,” but instead indicates the lender’s “willingness to process an application” or indicates that financing is subject to loan committee approval of the Project.

Note: Contingencies in commitment documents based upon the receipt of

low-income housing tax credits do not count as committed for purposes of gaining points in this scoring category.

## **2. Rental Acquisition-Only Projects**

Points will be awarded based on the following complete documents submitted with the application:

- Market Study (35 points)

Points will be awarded for a rental market study prepared in no earlier than 2024 in accordance with the current California Tax Credit Allocation Committee (CTCAC) most recent Market Study Guidelines, CTCAC Market Study Guidelines can be found on the CTCAC website [Market Study Guidelines \(ca.gov\)](https://www.ctcac.ca.gov/Market-Study-Guidelines)

All requirements regarding market studies are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Appraisal (40 points)

The appraisal must be prepared no earlier than 2024. An appraisal is required for any purchase, if any debt will be assumed, and if any exit taxes or payments are to be paid.

All requirements regarding appraisals are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Phase I/II Environmental Report (45 points)

Points will be awarded for reports prepared according to the following: a Phase I site assessment meeting ASTM Standard E1527-21 and a Phase II site assessment, if recommended by the Phase I, meeting ASTM Standard E1903-19. All reports must be prepared according to these ASTM standards, except as discussed below. The Phase I/VES report must be prepared no earlier than 2023, and the Phase II report must be prepared no earlier than 2023. The Phase I/II/VES reports may be prepared by different firms.

All requirements regarding Phase I/II environmental reports are further outlined in the Project Management Plan section of the HOME Rental Project Supplemental Application.

- Floodplain Analysis (25 points)

All Applicants must submit a FEMA Flood Hazard Determination Form, OMB #1660 - 0040 (or later form number) issued by a flood certification service, or

other appropriate independent third party prepared no earlier than 2024.

In addition to the FEMA Form listed above, Projects where the buildings are located in a flood hazard area need to submit one of the following:

- Any additional documentation necessary to confirm that the floodplain is incidental to the Project; or
- A FEMA Conditional Letter of Map Revision; or
- A narrative explaining your intent to obtain a FEMA Conditional Letter of Map Revision; or
- A narrative and supporting documentation with the HOME application which discusses with specificity the following: (1) the sites outside of the floodplain that were considered for the Project and the reasons for rejection of these sites; (2) the negative and positive impacts of building in a floodplain; (3) the steps that have been or will be taken to minimize the negative impacts to lives and property of building in a floodplain.

All requirements regarding the Floodplain Analysis and flood insurance are further outlined in the HOME Rental Project Supplemental Application.

- Property Standards Certification (5 points)

Points will be awarded for the completed form located in the HOME Rental Project Supplemental Application, providing certification that the property to be acquired meets all HOME requirements, including property standards pursuant to 24 C.F.R. § 92.251 and all applicable local codes and standards.

All requirements regarding the construction cost estimate are further outlined in the HOME Rental Project Supplemental Application.

- Relocation General Information Notice and Relocation Plan (30 points)

Provide a comprehensive narrative covering the history to date of the developer's negotiations with the seller and other funding sources to support the Initiation of Negotiations (ION) date, along with the date of the ION. If the GIN was not provided at the same time as the Initiation of Negotiations, the narrative must explain the corrective actions. In addition, include the following: (1) a copy of the GIN, signed acknowledgement of hand-delivery to each tenant or other proof of delivery (i.e., return receipt requested), and the list of notified tenants to include the apartment unit number; (2) a Project-specific relocation study/plan summarizing the estimated cost and methodology for calculating the relocation expenses, and (3) a certified Rent Roll on the ION date showing unit number, household size, household income, tenant name, move in date, last income certification date (as appropriate), tenants receiving a rental subsidy (i.e.,

Section 8 vouchers, etc.), and rent (at ION and current). These documents should be *no older than six months prior to the application due date listed in the NOFA.*

All requirements regarding relocation are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

– Zoning Verification (40 points)

Points will be awarded if the Project, as proposed, is zoned for the intended use, complies with the general plan, and with conditional use requirements, if any. To receive points, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding the zoning verification are further outlined in the Verification of Zoning and Other Local Approvals section of the HOME Rental Project Supplemental Application.

– Water/Sewer (5 points)

Points will be awarded if both water and sewer services are currently available with sufficient capacity to serve the Project as proposed. To receive points, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding water/sewer readiness are further outlined in the Verification of Zoning and Other Local Approvals section of the HOME Rental Project Supplemental Application.

– Permanent Financing Commitments (75 points)

Points will be awarded for providing an “Enforceable Funding Commitment (EFC)” demonstrating readiness for the Project. For this purpose, an EFC means a letter or other document, in form and substance satisfactory to the Department, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

- The name of the Applicant;
- The Project name;
- The Project site address, assessor’s parcel number, or legal description; and
- The amount, interest rate (if any), and terms of the funding source.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as “subject to

senior management approval,” or a statement that omits the word “commitment,” but instead indicates the lender’s “willingness to process an application” or indicates that financing is subject to loan committee approval of the Project.

Note: Contingencies in commitment documents based upon the receipt of low-income housing tax credits do not count as committed for purposes of gaining points in this scoring category.

### **3. Rental Rehabilitation Projects**

Points will be awarded based on the following complete documents submitted with the application:

- Market Study (10 points)

Points will be awarded for a rental market study prepared in no earlier than 2024 in accordance with the current California Tax Credit Allocation Committee (CTCAC) most recent Market Study Guidelines, CTCAC Market study Guidelines can be found on the CTCAC website [Market Study Guidelines \(ca.gov\)](https://www.ctcac.ca.gov/Market-Study-Guidelines)

All requirements regarding market studies are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Appraisal (30 points)

The appraisal must be prepared no earlier than 2024. An appraisal is required for any purchase, if any debt will be assumed, and if any exit taxes or payments are to be paid.

All requirements regarding appraisals are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Floodplain Analysis (25 points)

All Applicants must submit a FEMA Flood Hazard Determination Form, OMB #1660 - 0040 (or later form number) issued by a flood certification service, or other appropriate independent third party prepared no earlier than 2024.

In addition to the FEMA Form listed above, Projects where the buildings are located in a flood hazard area need to submit one of the following:

- Any additional documentation necessary to confirm that the floodplain is incidental to the Project; or
- A FEMA Conditional Letter of Map Revision; or

- A narrative explaining your intent to obtain a FEMA Conditional Letter of Map Revision; or
- A narrative and supporting documentation with the HOME application which discusses with specificity the following: (1) the sites outside of the floodplain that were considered for the Project and the reasons for rejection of these sites; (2) the negative and positive impacts of building in a floodplain; (3) the steps that have been or will be taken to minimize the negative impacts to lives and property of building in a floodplain.

All requirements regarding the Floodplain Analysis and flood insurance are further outlined in the HOME Rental Project Supplemental Application.

– Lead/Mold/Asbestos Reports (25 points)

For scoring, all reports submitted pursuant to this task must be prepared no earlier than 2024 by an entity properly certified or accredited as noted below.

Lead Report: For buildings constructed prior to January 1, 1978, provide a lead-based paint assessment report from an inspector/assessor certified by the California Department of Public Health.

Asbestos Report: Provide an "Asbestos-Containing Material Report" based on an analysis from an environmental laboratory accredited by the National Institute of Standards and Technology Asbestos Program. In preparing the report, at least 50 percent of the units must be inspected, including all units believed to be most at-risk for asbestos-containing material. A mitigation plan must be included with each report if necessary.

Mold Report: The mold report must be based on a thorough building inspection, and if necessary, physical inspections and testing in hidden areas. The report must thoroughly discuss the design of the building envelope and the types of failures that could result, or are resulting, in condensation, floods, and water leaks.

All requirements regarding Lead/Mold/Asbestos Reports are further outlined in Project Development Plan section of the HOME Rental Project Supplemental Application.

– Construction Cost Estimate (20 points)

The application must contain an itemized cost estimate and detailed scope of work that was prepared not more than six months prior to the application due date listed in the NOFA.

All requirements regarding construction cost estimates are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental



## Application.

- Relocation General Information Notice and Relocation Plan (75 points)

Provide a comprehensive narrative covering the history to date of the developer's negotiations with the seller and other funding sources to support the Initiation of Negotiations (ION) date, along with the date of the ION. If the GIN was not provided at the same time as the Initiation of Negotiations, the narrative must explain the corrective actions. In addition, include the following: (1) a copy of the GIN, signed acknowledgement of hand-delivery to each tenant or other proof of delivery (i.e., return receipt requested), and the list of notified tenants to include the apartment unit number; (2) a Project-specific relocation study/plan summarizing the estimated cost and methodology for calculating the relocation expenses, and (3) a certified Rent Roll on the ION date showing unit number, household size, household income, tenant name, move in date, last income certification date (as appropriate), tenants receiving a rental subsidy (i.e., Section 8 vouchers, etc.), and rent (at ION and current). These documents should be no older than six months prior to the application due date listed in the NOFA.

All requirements regarding relocation are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Physical Needs Assessment ("PNA") (74 points)

Prepare a PNA dated no earlier than 2024 meeting the requirements of Fannie Mae's "Physical Needs Assessment, Guidance to the Property Evaluator" found at: <https://www.hud.gov/sites/documents/RADPCASOWEXHIBITS.PDF> and other requirements as outlined in the HOME Rental Project Supplemental Application.

For Projects proposing to use USDA Rural Development funds, you may use the USDA Rural Development Capital Needs Assessment form found at: [cna\\_addendum.pdf](cna_addendum.pdf) ([usda.gov](https://www.usda.gov))

All requirements regarding the PNA are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Local Government Approval (1 point)

Points will be awarded if all required local approvals have been obtained at the time of application submission, including any streamlined ministerial processes. To receive points, approvals must be obtained and not pending; plus, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding local government approval are further outlined in the HOME Rental Project

## Supplemental Application.

### – Design Progress (5 points)

Points will be awarded based on the design documents obtained below, including but not limited to components of an architectural design; a letter from architect stating how far plans are; and an executed architecture agreement.

- To receive points in this category, Applicants must submit an executed agreement with the architectural firm identified on the Universal Application for the design (through working drawings) of this project; OR
- Evidence that the construction specialist identified on the Universal Application has been retained, or is on the Applicant's or administrative subcontractor's staff. Identify the person, include his or her resume, and a list of comparable projects for which that person has provided construction services similar to those required for this project.

Submit the status of plans and specifications on which the cost estimates reflected in the Sources and Uses tab of the Universal Application are based. Submit a letter from the architect or construction specialist identified in the application which gives the status of plans and specifications on which these costs are based:

- Plans and specifications ready to be submitted to the building department (5 points)

### – Permanent Financing Commitments (35 points)

Points will be awarded for providing an "Enforceable Funding Commitment (EFC)" demonstrating readiness for the Project. For this purpose, an EFC means a letter or other document, in form and substance satisfactory to the Department, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

- The name of the Applicant;
- The Project name;
- The Project site address, assessor's parcel number, or legal description; and
- The amount, interest rate (if any), and terms of the funding source.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as "subject to senior management approval," or a statement that omits the word "commitment,"

but instead indicates the lender’s “willingness to process an application” or indicates that financing is subject to loan committee approval of the Project.

Note: Contingencies in commitment documents based upon the receipt of low-income housing tax credits do not count as committed for purposes of gaining points in this scoring category.

#### **4. Homebuyer (Subdivision Development) Projects**

Project readiness factors are available in the Homebuyer Project Application (Part B), available on the Department’s [HOME Program website](#). Points will be awarded based on the following complete documents submitted with the application:

- Market Analysis (40 points)

Points will be awarded for providing a Market Analysis prepared according to the following:

The Market Analysis must include an analysis of comparable properties in the market area of the proposed Project; be prepared by a licensed real estate broker (or appraiser) having no identity of interest with the Sponsor, the partners of the Sponsor, the intended partners of the Sponsor, or the general contractor and contains comparable actual sales data from at least 10 other single-family homes in the market area of the proposed Project.

The Market Analysis must assess the market for the planned units and determine if there is sufficient demand to sell the HOME-assisted housing within nine months of construction completion.

All requirements regarding the Market Analysis are further outlined in Project Development Plan section of the HOME Rental Project Supplemental Application.

- Appraisal (10 points)

The appraisal must be prepared no earlier than 2024. An appraisal is required for any purchase, if any debt will be assumed, and if any exit taxes or payments are to be paid. Please note, subsequent appraisals will be required for each house at loan closing for the homebuyers.

All requirements regarding appraisals are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

- Phase I/II Environmental Report(s) (30 points)

Points will be awarded for reports prepared according to the following: a Phase I site assessment meeting ASTM Standard E1527-21 and a Phase II site

assessment, if recommended by the Phase I, meeting ASTM Standard E1903-19. All reports must be prepared according to these ASTM standards, except as discussed below. The Phase I/VES report must be prepared no earlier than 2023, and the Phase II report must be prepared no earlier than 2023. The Phase I/II/VES reports may be prepared by different firms.

All requirements regarding Phase I/II environmental reports are further outlined in the Project Development Plan section of the HOME Rental Project Supplemental Application.

– Floodplain Analysis (55 points);

All Applicants must submit a FEMA Flood Hazard Determination Form, OMB #1660 - 0040 (or later form number) issued by a flood certification service, or other appropriate independent third party prepared no earlier than 2024.

In addition to the FEMA Form listed above, Projects where the buildings are located in a flood hazard area need to submit one of the following:

- Any additional documentation necessary to confirm that the floodplain is incidental to the Project; or
- A FEMA Conditional Letter of Map Revision; or
- A narrative explaining your intent to obtain a FEMA Conditional Letter of Map Revision; or
- A narrative and supporting documentation with the HOME application which discusses with specificity the following: (1) the sites outside of the floodplain that were considered for the Project and the reasons for rejection of these sites; (2) the negative and positive impacts of building in a floodplain; (3) the steps that have been or will be taken to minimize the negative impacts to lives and property of building in a floodplain.

All requirements regarding the Floodplain Analysis and flood insurance are further outlined in the HOME Rental Project Supplemental Application.

– Construction Cost Estimate (5 points);

The application should contain an itemized cost estimate and detailed scope of work submitted not more than six months prior to the application due date listed in the NOFA. All of the proposed costs of development must be “necessary and reasonable” in compliance with OMB cost principles contained in 2 C.F.R. Part 200. The determination of reasonable cost should include the following factors:

- Costs of comparable projects in the same geographical area;

- The qualifications of the cost estimators for the various budget line items; and
- Comparable costs published by recognized industry cost index services.

All requirements regarding the construction cost estimates are further outlined in Project Development Plan section of the HOME Rental Project Supplemental Application.

- Local Government Approval (75 points);

Points will be awarded if all required local approvals have been obtained at the time of application submission, including any streamlined ministerial processes. To receive points, approvals must be obtained and not pending; plus, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer. All requirements regarding local government approval are further outlined in the HOME Rental Project Supplemental Application.

NOTE: In order to get points in this category, the application must also get points in the zoning verification and impact fees section as well.

- Impact Fees (30 points);

Points will be awarded if the Verification of Local Development Impact Fees forms are complete and included with the application. All requirements regarding the verification of local development impact fees are further outlined in the HOME Rental Project Supplemental Application.

- Zoning Verification (10 points);

Points will be awarded if the Project, as proposed, is zoned for the intended use, complies with the general plan, and with conditional use requirements, if any. To receive points, all verification forms must be complete, included with the application, and must be signed by the Local Official and the Developer.

All requirements regarding the zoning verification are further outlined in the Verification of Zoning and Other Local Approvals section of the HOME Rental Project Supplemental Application.

- Design Progress (10 points)

Points will be awarded on a sliding scale based on the design documents obtained below, including but not limited to components of an architectural design; a letter from architect stating how far plans are; and an executed architecture agreement.

- To receive points in this category, Applicants must submit an executed agreement with the architectural firm identified on the Universal Application for the design (through working drawings) of this project.
  - In addition to the executed agreement with the architectural firms, Applicants must also include status of plans and specifications on which the cost estimates reflected in the Sources and Uses tab of the Universal Application. To receive points, submit a letter from the architect identified on the Universal Application which gives the status of plans and specifications on which these costs were based:
    - Plans and specifications ready to be submitted to the building department (10 points)
    - Preliminary plans and specifications (7 points)
    - Conceptual (elevations and floor plans) (5 points)
- Financing Commitments (35 points)

Points will be awarded for providing an “Enforceable Funding Commitment (EFC)” demonstrating readiness for the Project. For this purpose, an EFC means a letter or other document, in form and substance satisfactory to the Department, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

- The name of the Applicant;
- The Project name;
- The Project site address, assessor’s parcel number, or legal description; and
- The amount, interest rate (if any), and terms of the funding source.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as “subject to senior management approval,” or a statement that omits the word “commitment,” but instead indicates the lender’s “willingness to process an application” or indicates that financing is subject to loan committee approval of the Project.

Note: Contingencies in commitment documents based upon the receipt of low-income housing tax credits do not count as committed for purposes of gaining points in this scoring category.

## J. Factor: State Objectives – 200 points

For the State Objectives scoring, there are three sub-factors for which Applicants can receive points, up to 200 points maximum. As applications are reviewed and rated, points will be awarded to Projects that meet the following objectives, in accordance with the Department’s 2024-2025 Annual Action Plan, based on the following sub-factors:

- Committed financing to increase affordable housing;
- Recovery assistance for natural disaster survivors; and
- Addressing and preventing Homelessness, and/or assisting Special Needs Populations and Extremely Low-Income Families

### • **Sub-factor #1: Committed Financing to Increase Affordable Housing – 100 points**

Applications will be scored based on the percentage of permanent financing committed to the Project by the application due date (including the HOME requested amount). 10 points will be awarded for each 10 percent (10%) increment.

For Projects anticipating applying for any type of tax credits -- a future tax credit award will not be considered as committed financing, and are thus not eligible for these points.

For example, if the Applicant has 50 percent (50%) of its permanent financing committed to the Project by the application due date, but intends to also apply for tax credits in the future, the application will receive 50 points out of a possible 100 points.

### • **Sub-factor #2: Recovery Assistance for Natural Disaster Survivors – 30 points**

Full points shall be awarded for any of the following factors:

- Project located in the state-declared disaster areas directly impacted by the Borel Fire (<https://www.fema.gov/disaster/5522>), as may be amended. The state-declared disaster area is the following counties: Kern (County); or
- Project located in the state-declared disaster areas directly impacted by the Park Fire (<https://www.fema.gov/disaster/5519>), as may be amended. The state-declared disaster areas are the following counties: Butte (County); Tehama (County); or
- Project located in the federally-declared disaster areas receiving Individual Assistance (“IA”) pursuant to the HUD memorandum dated May 17, 2023, referencing the federally-declared disaster areas under title IV of the Stafford Act,

DR-4699-CA dated April 3, 2023, as may be amended (<https://www.fema.gov/disaster/4699>). The federally-declared disaster areas (IA) are the following counties: Butte (County); Kern (County); Madera (County); Mariposa (County); Mono (County); Nevada (County); San Benito (County); San Bernardino (County); San Luis Obispo (County); Santa Cruz (County); Tulare (County); Tuolumne (County); or

- Project has been issued an award or conditional award from the Department's 2017 or 2018 Disaster Recovery Multifamily Housing Program (DR-MHP)
- **Sub-factor #3: Special Needs Populations, Homelessness, or Extremely Low-Income – 70 points**

Funding Commitments for Special Needs Populations (up to 70 points)

Points shall be awarded to applications that propose rental Projects with funding commitments to target Special Needs Populations, using any of the following funding:

- HUD 811
- HUD Supportive Housing Program
- State Mental Health Services Act (MHSA)
- HCD -- No Place Like Home Program
- HCD -- Veterans Housing and Homelessness Program
- HCD -- National Housing Trust Fund Program
- HCD -- Multifamily Housing Program
- HCD -- Joe Serna, Jr. Farmworker Housing Grant Program
- HCD -- Homekey/Homekey + Program
- Points may also be awarded to Projects that provide project-based rental assistance, under the terms of a MHSA or Veterans Affairs Supportive Housing Voucher (HUD-VASH).

-- or --

Homelessness (up to 70 points)

Points shall be awarded to applications that propose rental Projects primarily serving people experiencing Homelessness and/or those At Risk of Homelessness as defined in at 24 C.F.R. § 578.3.

NOTE: If serving Special Needs or Homeless populations, the Projects must include supportive services in accordance with the "Core components of Housing First" under Welfare and Institutions Code § 8255.



-- or --

Extremely Low-Income (ELI) (up to 70 points)

Points shall be awarded to applications that propose rental Projects primarily serving Extremely Low-Income Families, which means low-income families whose annual incomes do not exceed 30 percent of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families.

NOTE: This scoring category is not applicable to Homebuyer Projects. Homebuyer Projects will automatically receive full points in this category.

<b>Table – Subfactor #3 Scoring Breakdown</b>	
<b>Percent of Units Committed to Special Needs, Homeless, or ELI Families</b>	<b>Points</b>
51% or more	70
41-50%	60
31-40%	50
26-30%	40
21-25%	30
16-20%	20
10-15%	15
6-10%	10
1-5 %	5

## II. HOME Program Activities

### A. Housing Element – 50 points

Cities and counties are required to be in substantive compliance with state Housing Element Law, as defined in 25 C.C.R. § 8201(t), as of the NOFA application due date. Housing Element Annual Progress Reports are available at <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report>. Newly-incorporated cities are exempt from this factor, until which time the city is required to submit the housing element to the Department for approval. It is the responsibility of the city to know their reporting requirements. If unsure, please send an email inquiry to the HOME NOFA Unit, [HOMENOFA@hcd.ca.gov](mailto:HOMENOFA@hcd.ca.gov).

CHDOs, Developers, and Native American Entities are exempt from this requirement and shall receive full points for this scoring factor.

### B. Factor: HUD Direct HOME Allocation (Declined) – 50 points

A jurisdiction that proposes activities, that is eligible to receive HUD direct HOME 2024 allocation funds (and declines the funding for the purpose of preserving their state HOME eligibility), shall receive full points for this scoring factor.

### C. Factor: Rural Communities – 50 points

Activities proposed in a rural community (as defined in the HSC § 50199.21) shall receive full points for this scoring factor.

### D. Factor: Capacity – Applicant Experience – 100 points

Applicants that demonstrate experience administering HOME and/or other local, state, or federal affordable housing and/or community development projects during the last seven calendar years (1/1/2018 – 12/31/2024), plus 2025 year-to-date, shall receive full points for this scoring factor.

### E. Factor: Capacity – Prior Performance – up to 150 points deducted

For prior performance scoring, all applications receive 150 points. As applications are reviewed and rated, points will be deducted for each of the following sub-factor deficiencies, up to a maximum 150-point deduction for two sub-factors:

- Reporting noncompliance
- Monitoring noncompliance

- **Sub-factor #1: Reporting – up to 50 points deducted**

Reporting is an essential condition and responsibility of accepting HOME funds; therefore, Applicants that previously failed to comply with reporting requirements are subject to a deduction of up to 50 points.

- In assigning these points, the Department will review the Applicant’s history of submitting quarterly reports and quarterly PI reports (for both Program Activities and Projects contracts numbered 16-HOME through 19-HOME), and Annual Performance Reports for FY 21-22, 22-23, and 23-24. Applicants may submit missing reports prior to application deadline to reduce the number of points deducted.
- Late or missing Quarterly Program Status Reports — (5 points each missing 2 points each late)
- Late or missing Quarterly Program Income Reports (QPIR), if applicable — (5 points each missing, 2 points each late)
- Late or missing Annual Performance Reports (APRs) — (25 points each missing, 10 points each late)

- **Sub-factor #2: Monitoring Noncompliance (1/1/2020 – 12/31/2024) – up to 100 points deducted**

One hundred (100) points will be deducted for noncompliance with monitoring or contract requirements identified in the last five calendar years.

**F. Factor: Community Need – 250 points**

The community need point scoring by activity type is based on data available in Appendix C of this NOFA, available on the Department’s HOME Program website at <https://www.hcd.ca.gov/grants-and-funding/programs-active/home-investment-partnerships-program>.

**G. Factor: Project Feasibility – up to 100 points**

Project feasibility scoring has two scoring categories: activity type and program guidelines, described as follows:

Activity type scoring criteria (up to 75 points):

- FTHB program scoring is determined by the percentage of all homes sold in the city or county in the last 12-month period that are affordable to lower-income families;
- OOR program scoring is determined by the number of overcrowded households by tenure, low-income owner-occupied households,

substandard housing conditions, and the age of the housing stock by tenure, in the city or county as reflected in U.S. Census data.

- TBRA program scoring is determined by the overpayment by low- income renter households as reflected in U.S. Census data.

To receive points for program guidelines, Applicants must certify that program guidelines will use Department-provided templates and reflect state and federal requirements (up to 25 points).

## **H. Factor: State Objectives – up to 200 points**

For State Objectives scoring, there are two sub-factors for which Applicants can receive up to 200 points maximum. As applications are reviewed and rated, points will be awarded for the following objectives, in accordance with the Department’s 2024-2025 Annual Action Plan:

- Increasing affordable housing;
- Addressing and preventing Homelessness
- **Sub-factor #1: Increasing Affordable Housing – 90 points**

Applicants that have higher expenditure rates (i.e., expenditure rates of

55 percent and above) for all 16-HOME through 19-HOME Program Activities contracts shall receive state objectives points as follows:

- Expenditure rate at or above 75 percent. (90 points)
  - Expenditure rate between 50 percent to 74.99 percent. (60 points)
  - Expenditure rates will be calculated in accordance with the “Expended Funds” as defined by 25 C.C.R. § 8204(b).
- **Sub-factor #2: Homelessness or Extremely Low-Income – 110 points**

Points shall be awarded for actions to prevent or address Homelessness. These points will be awarded to Applicants that:

- Apply for TBRA; or
- Proposed Project will primarily serve (50% or more) people experiencing Homelessness and/or those At Risk of Homelessness as defined in at 24 C.F.R. § 578.3; or
- Proposed Project will primarily serve (50% or more) Extremely Low-Income Families, which means low-income families whose annual incomes do not exceed 30 percent of the median family income of a geographic area, as

determined by HUD with adjustments for smaller and larger families.

### **III. Point Deduction Rules**

Pursuant to 25 C.C.R. § 8217, Applicants who disencumbered a Project contract between June 1, 2020, and December 31, 2024, and their Developers, owners, and managing general partners, if any, for these Projects shall receive point deductions according to the above schedule for the deadlines the Project did not meet before the contract was disencumbered.

Pursuant to 25 C.C.R. § 8217(b)(3), Projects that fail to meet deadlines outlined in the state regulations are subject to performance penalties, including point deductions for Projects, unless an exception has been granted by the Department in accordance with 25 C.C.R. § 8217(c).