

FIRST-TIME HOMEBUYER PROJECT APPLICATION

First-Time Homebuyer (FTHB) project Applicants must complete and submit the following in addition to the Applicant Name Verification Form:

- | | |
|--|------------------------|
| 1. FTHB Project Application | <i>Microsoft WORD</i> |
| 2. FTHB Application Summary | <i>Microsoft Excel</i> |
| 3. FTHB Project Application Developer Capacity | <i>Microsoft Excel</i> |
| 4. FTHB Project Application Worksheets | <i>Microsoft Excel</i> |

Section I. Project Activity

Check the type of HOME Homebuyer financing requested, as well as the type of housing proposed.

- [] FTHB Project – Construction & Permanent Financing
[] FTHB Project - Permanent Financing (mortgage assistance) only.

Reminder: Applicants must not undertake any “choice-limiting actions” prior to receiving their NEPA Authority to Use Grant Funds for new construction projects, or written HCD approval for other projects.

Type of housing proposed:

- ☐ Single Family ☐ Townhouse ☐ Condominium
☐ Duplex/Triplex
☐ Manufactured Housing
☐ Other _____

Section II. Project Team

- A. List all known project team members in Chart 1. The Sponsor/Developer is the legal entity or combination of legal entities with continuing control of the property throughout the development phase of the project. Sponsor/Developer does not include the seller of the property to be developed as the project, unless the seller will retain control of the project for the period necessary to ensure project feasibility as determined by the California Department of Housing and Community Development (Department).

Chart 1: Project Team

Applicant	
Sponsor/Developer	
Administrative Subcontractor	
General Contractor	
Architect	
Construction Specialist	
Other Project Partners (if applicable)	

- B. Attach a narrative description of the roles, financial structure, and legal relationships between the entities identified in Chart 1. Attach as **Exhibit B1-A**. This information will be used by the Department to assist in understanding your proposed project.
- C. In Chart 2, identify all development team members and their roles and responsibilities in implementing the proposed project. Members include, but are not limited to, the applicant, administrative subcontractor, and development staff. Please be sure to list the name and contact information for the people listed in Chart 1 above who are most familiar with the details of the project.

Chart 2: Development Team

Name(s)	Roles/Responsibilities	Phone Number and E-mail address

1. Capacity to implement the HOME activity, please answer the following questions and provide the requested attachments.

a) Do you plan to hire an Administrative Subcontractor to assist with the proposed project? Yes____ No_____.

i. If yes, what will be the duties of the Administrative Subcontractor?

ii. If No, please explain why an Administrative Subcontractor will not be needed.

b) Do you plan on administering the proposed HOME activity with your own staff, (from HOME award through long-term compliance monitoring, if applicable)?

Yes____ No _____.

c) List each staff person and how much time they will spend per month on average on the HOME funded activity:

d) Please attach copies of resumes for the staff that will work on this proposed project. Attach as **Exhibit B1-B**.

e) How much will it cost to implement this activity, and will HOME Activity Delivery Cost and Administration/CHDO Operations funds be sufficient? (N/A for Developers)

f) If not, where will the additional funding come from?

g) Program Income Balances (State Recipients only)

i) HOME PI balance as of June 30, 2019: _____

ii) HOME PI received in the last 12 months: _____

- iii) Please explain how you intend to spend your PI balance before needing to draw down HOME funds for your proposed project.
-
-
-

Section III. Prior Experience

Chart 3 - Similar Project Experience (**Exhibit B2** HOME FTHB Project Application Worksheets, Excel File)

On Chart 1, submit a Prior Experience Summary for the Applicant and Developer. List only the HOME and non-HOME subsidized projects of the same project type proposed in the application, (e.g. FTHB projects), that were completed during calendar years 2012 – 2018. Points will be awarded for up to 3 projects.

The project list must identify the project name, location, funding sources, and construction completion date (month/year). Please ensure the month and year of completion is shown for all projects. Mark the appropriate experience box for the applicant and/or developer listed in Section II of the application. The same project will only be awarded points once, even if it reflects experience of both the Applicant and the Developer. Only list the experience of related companies if they will be providing financial guarantees to the project. Identify the public funding sources to document that the project is subsidized, (e.g. HOME, CalHFA, CalHome, Serna FWHG, etc). You may include State HOME and other HOME and non-HOME projects. Use the project's Notice of Completion as the project completion date.

Chart 4: Housing and Community Development Experience (**Exhibit B2** HOME FTHB Project Application Worksheets, Excel)

In each line below, list the number of units assisted by the applicant with specific HOME, local, State or other Federal funding source(s) in one of the seven calendar years, 2012 – 2018. Do not count the same units in more than one year. List no more than 10 entries on this form. A minimum of 2 units per year for program-type housing activities (e.g. owner-occupied rehabilitation, FTHB mortgage assistance) is required for points.

Also list completed projects (one per line) for other housing and community development activities, such as infrastructure, parks, community centers, multi-family housing projects, etc. Do not list stand-alone studies or public service activities.

Projects that the applicant developed which are listed on the Similar Project Experience Worksheet (Chart 1) must also be listed on this chart (Chart 2) in order to receive points for this award on this chart. List no more than 10 entries. Up to five (5) eligible entries will be counted.

Prior Performance Point Deductions – The Department will also deduct up to 200 points for missed project deadlines, late reports, material misrepresentation of facts, and noncompliance with monitoring findings as set forth in Section IV of the NOFA.

Note: where a project completion report is needed to have penalties waived for missed project

deadlines, the Department may determine that a project does not qualify for this waiver if the project completion report indicates there are vacant HOME units.

Section IV. Community Need

The HOME Program will compile the Community Need data for this section. You do not need to submit any information for this section. See Appendix H of the NOFA for more information.

Section V. Project Information

Project Name: _____

- A. Development Timetable – Provide the dates for the following tasks. Note that your schedule should be consistent with the project deadlines in Section 8217 of the State HOME Regulations.

Task	Date
Request for Release of Funds submitted to HCD	
Davis Bacon Wage Rates Secured	
Construction Loan Closing	
Start of Construction	
Project Completion	

B. Project Narrative

Provide a narrative describing each of the following and attach as **Exhibit B3**. Include any additional information you believe is necessary to assist us in understanding the particulars of your project. On items where you have already provided the requested information in a Project Development Plan (PDP) document submitted with the application, you may instead include a document and page reference to this information in your Exhibit B3 narrative.

1. The project and its location including:
 - a) The process undertaken to find suitable sites, and reasons for selecting the proposed site.
 - b) If the proposed site is located in a 100-year flood plain, explain why this site was chosen over other potential sites, and explain how you plan to mitigate the potential negative impacts of building on a floodplain.
 - c) Indicate whether utilities, water, and sewer services are now available at your proposed site. If not now available, explain how these services will be obtained.
 - d) On-site improvements needed, and their expected completion date
 - e) Off-site improvements needed, and their expected completion date
2. Need and target market
3. Special amenities and services
4. Local support for the proposed project

5. Summary of the proposed construction and mortgage assistance financing and any special financing requirements. Include a discussion of the anticipated first mortgage lenders.
6. If the project will need a development subsidy because the units will cost more to develop than they can be appraised for, please discuss the anticipated amount of development subsidy needed per unit, and the potential source(s) of this subsidy. If you do not believe your project will need a development subsidy (e.g. TDC per unit will not exceed the unit's appraised value), please note this in your project narrative. Note: a unit cannot be sold for more than its appraised value.
7. Summary of assisted units by funding source
8. Current and proposed ownership structure
9. Relocation Issues – Indicate whether the proposed site has been occupied since application for federal or state funds for the project, or since the “initiation of negotiations”, whichever is earlier. If the site is currently occupied, describe your plan for disposition of the structures, and relocation of existing occupants of the site.

Section VI. Project Requirements

A. Site Control

Site control must meet the requirements set forth below. Provide documentation of site control (See Section VII.A. of the NOFA). Attach as **Exhibit B4**.

For any application proposing a site with current tenants, including both new construction and rental rehabilitation projects, the third option (Purchase Agreements and the other forms listed under this option) may not be used because the General Information Notice required by the Uniform Relocation Act makes it clear that the use of federal funds is contemplated.

1. List the name of the Sponsor/Developer. (See definition of “Sponsor/Developer” on page 1 of this Application.)

2. Does the Sponsor/Developer have site control in one of the forms listed below?

[] Yes
[] No
3. If yes, check the box for the form of site control below, and provide the fully executed document listed. Attach this document as Exhibit B4.

[] Fee Title

[] Option to Purchase agreement

[] Option to Lease Agreement

[] Purchase Agreement

- ☐ Disposition and Development Agreement (DDA)
- ☐ Exclusive Right to Negotiate (ERN)
- ☐ Conditional Purchase contract (existing 1-4 unit single-family homes only)

4. Provide a preliminary title report dated no earlier than 2019 as **Exhibit B5**.

☐ Check if attached

B. Pending Lawsuits Letter

If there is no pending litigation relating to the proposed project's land or property that would affect the applicant's ability to implement this project, submit a certification to this effect, and attach as **Exhibit B6**.

C. Financial Feasibility

The HOME FTHB Project Application Worksheets (Excel File) includes three (3) financial feasibility worksheets (**Exhibits B7 through B9**). Applicants must use these prescribed HOME worksheets. The information provided on these worksheets should be consistent with the other components of your application and accurately represent the nature of the project. Verify subtotals and totals. Check to ensure that amounts shown on construction financing commitment letters equal amounts shown on the construction sources and uses form.

HOME maximum per-unit subsidy limits and purchases price/after rehabilitation value limits apply. Subsidy layering requirements also apply. Refer to HOME Final Rule Sections 92.250 and 92.254 for more information. See <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml> for the current per-unit subsidy limits and Maximum Purchase Price/After-Rehabilitation Value limits. Note that HOME Program Income (PI) funds spent on a project also count toward that project's per-unit limits.

Complete the "Project Information Form" (Exhibit B7) as instructed. This information will be used in determining the financial feasibility of your FTHB project.

On the "Project Financing Summary" (Exhibit B8), list all construction financing sources by order of their lien position.

On the "Construction Sources and Uses" table (Exhibit B9), itemize all anticipated construction project costs by the construction financing sources displayed in Exhibit B8. The various construction financing sources should automatically align (from left to right) by the lien position previously entered in Exhibit B8.

D. Annual CHDO Recertification Documents (Existing CHDOs as Noted Below)

Currently certified CHDOs with certifications that will expire before the application due date listed in the NOFA must submit a complete CHDO Certification application with all exhibits and attachments by **November 22, 2019**. Application for CHDO Certification is available at: <http://www.hcd.ca.gov/grants-funding/active-funding/home.shtml>.

HUD requires the Department to conduct a modified re-certification process each time new CHDO set-aside funding is awarded. If you are an existing CHDO you must submit the Department CHDO approval letter with your HOME application as **Exhibit B10**. If you are an existing CHDO and your CHDO recertification was prior to January 22, 2019, you must submit the documents listed in Appendix B in addition to the Department CHDO approval letter with your HOME application as **Exhibit B10**.

E. Effective Control (CHDOs only)

The State HOME regulations require the CHDO to be the sole project developer for homebuyer activities. Submit documentation substantiating the CHDO's effective project control as sole developer of the proposed project pursuant to 24 CFR Part 92.300(a) (1), and HOME State Regulation 8204 (a) (2) (D).

- 1) Submit a narrative which discusses how the CHDO will satisfy the role of sole developer. Note: as sole developer, the CHDO must assume all of the risks and rewards customarily associated with being the developer of a homebuyer project.
- 2) Submit a copy of the draft development agreement for the project, if available.

Attach as **Exhibit B11**. Refer to 24 CFR Part 92.300(a) (1), or contact the HOME Program for guidance.

F. Recapture Requirements Applicable to State Recipients and CHDOs

Applicants requesting funding for FTHB projects must submit documentation (i.e., promissory note, deed of trust, regulatory agreement, etc.) showing specific recapture provisions per HUD requirements. Refer to 24 CFR 92.254(a)(5)(ii).

Attach this documentation as Exhibit B19.

Section VII. Project Readiness

A. Project Development Plan

New Construction Projects - Up to 300 points

Fill out the chart below for the tasks that have been completed. Evidence the completion by

submitting the document as specified in the instructions on the following pages. Identify the development team member responsible for each task. Indicate "N/A" if the task is not applicable to your project and in the last column explain why the task is "N/A". If documentation is required, it must be submitted to earn rating points, but content will be evaluated only for feasibility determination. Read the instructions carefully before completing this section. **PLEASE NOTE: The market comparables, property appraisal, Phase I /Phase II are REQUIRED to be submitted.**

Project Development Tasks	Date Completed (Month/Year)	List as "Exhibit PDP 1, 2, etc." If not provided, enter "Not Included"
Market Comparables (40 points)		
Property Appraisal (10 points)		
Phase I, and Phase II Site Assessment if recommended in Phase I (30 points)		
Floodplain Analysis (55 points)		
Preliminary Construction Cost Estimate (5 points)		

PDP Documentation Requirements for New Construction Projects

PDP items must be: (1) submitted; (2) prepared according to all instructions; and (3) indicate no problems that would affect financial feasibility, or if problems exist that affect financial feasibility, costs are thoroughly itemized and the Development Budget clearly shows these expenses. The methodology for calculating these expenses must also be discussed as an attachment to the Development Budget.

Market Comparables (40 points)

An analysis of comparable properties in the market area of the proposed project must 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. The analysis must be prepared no earlier than 2019. (However, we prefer the most up-to-date comparables possible.) The analysis must contain comparable actual sales data from at least 10 other single-family homes in the market area of the proposed project. The comparables must be similar in size and type to the homes in the proposed project, and must not be affected by some unique situation that is artificially impacting their sales prices. If there are no homes in the market area of a similar size and type to those in the proposed project, the comparable sales shall be the next closest in size and type. The market analysis must include the sales prices for all homes in the project, including all unassisted homes, and must demonstrate that the sales prices projected for all homes in the project, both assisted and unassisted, are achievable.

Property Appraisal (10 points)

The appraisal must be prepared no earlier than 2019. The appraised value must be the unrestricted fair market value of the land. In addition, all appraisals should take into consideration all unique aspects of the property and of the proposed project that will affect its value. If the land has structures on it that will be demolished, the appraised value must exclude the value of these structures. If the land will be leased, the appraised value must include the fair market lease payment amount.

Proposed project sites shall not require site development work that is significantly more costly than that typical for other similar projects in the local market area, unless either: (1) the proposed site acquisition cost together with the site development (and environmental remediation) costs are less than the cost of a typical site together with typical site development costs in the project's market area; or (2) there are no other sites available in the market area with a lower combined cost.

Note the following regarding acquisition costs charged to the project. For purposes of determining this amount, the HOME applicant, developer, and any affiliated entities are considered related parties. In all cases, reasonable carrying costs and the costs of capital improvements made by the developer or other related parties can be charged to the project and paid for with HOME funds.

Seller and Buyer	Land Values	Cap on Acquisition Costs Paid by HOME	Increment Above Appraised Value	Reasonable Carrying Costs and Capital Improvements	Purchase contract(s) to be submitted with Appraisal
Related Party	Decreased	Current appraised value or last arm's length transaction	Paid for with tax credit equity or junior public financing with no mandatory debt service	Can be paid with HOME or other funds	Most recent purchase contract
Related Party	Increased	Amount of last arm's length transaction	Can't be paid by anyone	Can be paid with HOME or other funds	Most recent purchase contract and purchase contract for last arms-length transaction
Unrelated Party	Increased or Decreased	Current appraised value or purchase price	Paid for with tax credit equity or junior public financing with no mandatory debt service	Can be paid with HOME or other funds	No submittal of purchase contract necessary.

No appraisal is needed if land is being donated to the project, no land costs will be shown in the development budget, and there are no other financial consequences from the land donation which would require that the Department assess the value of the land (e.g. not calculating a higher percentage of permanent financing committed due to land donation).

Phase I, Phase II Site Assessment, if required in Phase I (30 points)

Submit a Phase I site assessment meeting ASTM Standard E1527-13 and a Phase II site assessment, if recommended by the Phase I, meeting ASTM Standard E1903-11. All reports must be prepared according to these ASTM standards, except as discussed below. The Phase I report must be prepared no earlier than 2018, and the Phase II report must be prepared no earlier than 2018. The Phase I/II reports may be prepared by different firms.

If the applicant is aware of more than one Phase I, Phase II or VES report for the property, all such reports must be included with the application.

We recommend that you carefully evaluate the Phase I/II to insure that these reports are complete, clear and without deficiencies; and that with the passage of time nothing has changed on the site. If something on the site or the surrounding area has changed since your Phase I was prepared, you must prepare a new Phase I.

For those projects scoring high enough to proceed to feasibility review, the content of the report(s) will be evaluated. In its evaluation, the Department will consider both positive and negative factors, including but not limited to the following:

Positive Factors:

- (1) If an older Phase I included a bigger site, the newer Phase I should clearly delineate what issues identified in the older Phase I pertain to the smaller project site;
- (2) The report contains no exceptions, deletions, or deviations unless the report clearly says that these are acceptable pursuant to Section 11.7 of ASTM Standard E1527-13;
- (3) The report concludes that there are no Recognized Environmental Conditions (REC) in connection with the property;
- (4) If there are environmental deficiencies but the preparer concludes that one or more of these deficiencies are not RECs, there is a complete explanation as to why these conditions are not considered environmental hazards;
- (5) If the current Phase I/II reveals any RECs or other hazardous conditions, there is an environmental remediation line item in the Development Budget and an explanation as to how this line item was determined;
- (6) Where structures will be or have been demolished, lead and asbestos testing was performed and the results discussed in a Phase II report;
- (7) There is no further action or investigation recommended;
- (8) There are no environmental regulatory concerns;
- (9) The Department is listed as one of the entities to which the report provides reliance;
- (10) The Phase I does not show the likely presence of chemicals of concern in the sub-surface of the target property (TP) caused by the release of vapors from contaminated soil or groundwater either on or near the TP;
- (11) If the Phase I reveals a vapor encroachment condition (VEC) exists, further investigation as recommended has been conducted.

Negative Factors:

- (1) The Summary section of the Phase I, Phase II reports do not disclose all potentially hazardous conditions or instances of contamination (past or present) on the property;
- (2) The Phase I, Phase II is missing information otherwise required in these reports; and
- (3) The Phase I, Phase II is not signed by the certified environmental assessor.

The market comparables, appraisal, and Phase I/Phase II shall be prepared by an individual or firm which: (1) has the appropriate license, when deemed necessary by the Department, and knowledge and experience necessary to competently prepare the report; (2) is aware of, understands, and correctly employs those recognized methods and techniques that are necessary to produce a credible and complete document; (3) communicates each analysis, opinion and conclusion in a manner that is not misleading as to the true market needs for low-income residential property, and the value and condition of the subject property; and (4) is an independent third party having no identity of interest with the applicant, the partners of the applicant, the intended partners of the applicant, or with the general contractor.

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 in 2019 or until the application deadline.

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:

- a) Any additional documentation necessary to confirm that the floodplain is incidental to the project, or
- b) a FEMA Conditional Letter of Map Revision, or
- c) a narrative explaining your intent to obtain a FEMA Conditional Letter of Map Revision
- d) 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.

Note: all projects located in a 100-year flood plain must carry flood insurance, unless otherwise exempt. The flood insurance policy should be for 80% of the replacement cost of the structures. A project can receive an exemption from the flood insurance requirement if the following is done: (1) The pad and foundation of the buildings must be elevated above the base flood elevation, or (2) The letter of map revision must be provided to the Department at loan closing. If you are planning on raising your project above the flood plain, these costs must be specifically identified in the Development Budget. Flood insurance costs should also be adequately reflected in the Operating Budget.

Preliminary Construction Cost Estimate (5 points) – Provide an itemized Preliminary Construction Cost Estimate. The Preliminary Construction Cost Estimate must be prepared no earlier than 2019. The Preliminary Construction Cost Estimate must be consistent with the Development Budget, or an explanation must be provided to support any differences.

Acquisition/Rehabilitation/Conversion Projects - Up to 300 Points

Fill out the chart below for the tasks that have been completed. Evidence the completion by submitting the document as specified in the instructions on the following pages. Identify the development team member responsible for each task. Indicate "N/A" if the task is not applicable to your project and in the last column explain why the task is "N/A". If documentation is required, it must be submitted to earn rating points, but content will be evaluated only for feasibility determination. Read the instructions carefully before completing this section. **NOTE: The market comparables, property appraisal, and lead, asbestos, and mold reports are REQUIRED to be submitted with your application.**

Project Development Tasks	Date Completed (Month/Year)	List as "Exhibit PDP 1, 2, etc." If not provided, enter "Not Included"
Market Comparable (10 points)		
Property Appraisal (10 points)		
Assess Lead-Based Paint, (for buildings constructed prior to January 1, 1978), Asbestos, and Mold (85 points)		
Preliminary Rehabilitation Cost Estimate (40 points)		
Physical Needs Assessment (50 points)		
Relocation General Information Notice and Relocation Plan (50 points)		

PDP Documentation Requirements for Rehabilitation/Conversion Projects

PDP items must be: (1) submitted; (2) prepared according to all instructions; and (3) indicate no problems that would affect financial feasibility, or if problems exist that affect financial feasibility, costs are thoroughly itemized, and the Development Budget clearly shows these expenses. The methodology for calculating these expenses must also be discussed as an attachment to the Development Budget.

Market Comparables (10 points)

Requirements are the same as for Rental New Construction. Please refer to guidance in Section VII of this application above.

Property Appraisal (10 points)

The appraisal must be prepared no earlier than 2019. An appraisal is required for any purchase, if any debt will be assumed, and if any exit taxes or payments are to be paid.

General Requirements for Appraisals – All appraisals should take into consideration all unique aspects of the property and of the existing project that affects its value. If the project has existing income restrictions, then the appraised value should reflect those restrictions, as well as any deed restrictions for the remainder of the existing regulatory agreement. If the project is currently not habitable or is not in good condition, the appraisal should take into account the rehabilitation costs necessary to make it habitable and in good condition.

Note the following regarding acquisition costs charged to the project. For purposes of determining this amount, the HOME applicant, developer, and any affiliated entities are considered related parties. In all cases, reasonable carrying costs and the costs of capital improvements made by the developer or other related parties can be charged to the project and paid for with HOME funds.

Seller and Buyer	Land Values	Cap on Acquisition Costs Paid by HOME	Increment Above Appraised Value	Reasonable Carrying Costs and Capital Improvements	Purchase contract(s) to be submitted with Appraisal
Related Party	Decreased	Current appraised value	Paid for with tax credit equity or junior public financing with no mandatory debt service	Can be paid with HOME or other funds	Most recent purchase contract
Related Party	Increased	Amount of last arm's length transaction	Can't be paid by anyone	Can be paid with HOME or other funds	Most recent purchase contract and purchase contract for last arms-length transaction
Unrelated Party	Increased or Decreased	Current appraised value	Paid for with tax credit equity or junior public financing with no mandatory debt service	Can be paid with HOME or other funds	No submittal of purchase contract necessary.

No appraisal is needed if land is being donated to the project, no land costs will be shown in the development budget, and there are no other financial consequences from the land donation which would require that the Department assess the value of the land (e.g. not calculating a higher percentage of permanent financing committed due to land donation).

Assess Lead-Based Paint, Asbestos, and Mold (85 points)

All reports submitted pursuant to this task must be prepared no earlier than 2019 as noted below. In evaluating the contents of the report(s), the Department will consider both positive and negative factors contained in the reports. The lead-based paint assessment need only be prepared for buildings constructed prior to January 1, 1978. If the property was constructed after December 31, 1977, indicate this in the PDP chart above.

If the reports identify any environmental hazards, you are required to have a remediation plan to correct the identified hazards, and the cost for remediation must be shown in the development budget. Note also that if there are inconsistencies between the PNA findings and the findings of the lead, asbestos and mold reports, this will be cause for concern.

Lead-Based Paint Assessment (for buildings constructed prior to January 1, 1978)

Provide a report from an inspector/assessor certified by the California Department of Public Health. Federal lead regulations generally require that unless the presence of lead is presumed, paint testing must be conducted on all deteriorated painted surfaces or surfaces that will be disturbed or replaced. It is our expectation that most developers will presume the presence of lead after inspecting only a few units with positive results for lead.

Lead hazard reduction or abatement activities must be conducted in accordance 24 CFR Part 35. If you are presuming lead-based paint in all deteriorated painted surfaces or surfaces that will be disturbed or replaced, note this in your lead report, and discuss what remediation measures will be undertaken in accordance with Part 35.

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% 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. Where there is any basis to believe that there could be mold inside walls or otherwise inaccessible areas (e.g., such as mold odor and/or moisture intrusion), physical inspections must be performed by opening up the hidden area. If mold is found, it must be evaluated and tested. In preparing the report, at least 50% of the units must be inspected, including all units believed to be most at-risk for mold. The remediation plan to correct any identified mold shall include remediation of the mold source (e.g., moisture intrusion and/or inadequate ventilation).

Testing is required if there is any basis to believe that there could be mold inside walls or otherwise inaccessible areas (e.g., such as mold odor and/or moisture intrusion). If it is your determination, in consultation with construction experts, after a thorough building inspection and if necessary after physical inspections, that there is no basis to believe that there could be mold inside walls or otherwise inaccessible areas, then no testing would be required. There must be a definitive statement in the mold report that there is no basis to believe there could be mold inside walls or otherwise inaccessible areas. If this statement is qualified or conditional in any way, then testing is required.

Mold testing should identify the type and quantity of mold(s) present. The mold report should discuss whether the mold present is of the type and quantity normally found in the indoor or outdoor air, or is otherwise potentially hazardous.

The market analysis, appraisal, and lead, asbestos, and mold reports shall be prepared by an individual or firm which: (1) has the appropriate license, when deemed necessary by the Department, and knowledge and experience necessary to competently prepare the document; (2) is aware of, understands, and correctly employs those recognized methods and techniques that are necessary to produce a credible and complete document; (3) communicates each analysis, opinion and conclusion in a manner that is not misleading as to the true market needs for low-income residential property, and the value and condition of the subject property; and (4) is an independent third party having no identity of interest with the applicant, the partners of the applicant, the intended partners of the applicant, or with the general contractor.

Preliminary Rehabilitation Cost Estimate and Detailed Scope of Work (40 points)

The application must contain an itemized Preliminary Rehabilitation Cost Estimate and detailed scope of work prepared no earlier than 2019. For projects scoring high enough to proceed to feasibility review, the Department will evaluate the scope of work relative to the PNA and its own on-site inspection and may require modifications to the scope of work prior to recommending the project for funding.

Pursuant to 24 CFR 92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, and rehabilitation standards at the time of project completion. Projects involving rehabilitation must do sufficient rehabilitation to ensure the long-term viability of these projects.

Note also that if a Physical Needs Assessment (PNA) is submitted with the application, we recommend that the Preliminary Rehabilitation Cost Estimate, Scope of Work, and Development Budget be consistent with the immediate needs identified in the PNA.

Physical Needs Assessment (50 points)

Prepare a PNA dated no earlier than 2019 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>.

For projects proposing to use USDA Rural Development funds, you may use the USDA Rural Development Capital Needs Assessment form found at:

https://www.rd.usda.gov/files/NE_Attach_C_CNA_Statement_of_Work.pdf

In addition, the PNA/CNA must meet the following requirements:

(A) The PNA/CNA shall include a narrative of Property Evaluator's findings, opinions, and recommendations along with photographs of the physical needs assessment inspection. The narrative shall include a summary of the Physical Needs Over Time, including the: (1) quantity, (2) unit cost, (3) total cost and (4) comments about each item necessary to maintain the project for 20 years.

(B) The PNA/CNA shall be prepared by a Property Evaluator that: (1) has the appropriate license as an architect or engineer and must be regularly in the business of performing PNAs/CNAs for lender or investor clients; (2) is aware of, understands, and correctly employs those recognized methods and techniques that are necessary to produce a credible and complete report; (3) communicates each analysis, opinion and conclusion in a manner that is not misleading as to the true condition of the subject property; and (4) is an independent third party having no identity of interest with the applicant, the partners of the applicant, the intended partners of the applicant, or with the general contractor.

(C) The Property Evaluator shall visit the project to perform the PNA/CNA, and shall inspect at least 30% of the project units, including a minimum of one (1) unit per building, one unit per floor, one unit per bedroom size, all handicapped accessible units, and all building common areas, roof areas, mechanical systems, plumbing, electrical systems, site drainage, asphalt, landscaping (including slope maintenance), irrigation, walkways, site lighting and security systems.

(D) The PNA/CNA shall include an evaluation without an inflation factor and one with an inflation factor for a 20-year projection.

(E) The PNA/CNA shall identify the quantity of items that need to be immediately replaced or repaired, the unit cost, the total cost, and comments about each item. These items include, but are not limited to: flooring, refrigerator, range, hood, dishwasher, kitchen sink, disposal, kitchen cabinets, kitchen plumbing fixtures, low flow toilets, bathroom plumbing fixtures, tubs and showers, tub and shower enclosures, smoke detectors, heating and air conditioning units, water heaters, window treatments, closet doors, interior lighting, screens, windows, doors, GFIs, floor and window coverings and drywall repairs. Any additional items in need of immediate repair shall also be identified.

(G) The Preliminary Rehabilitation Cost Estimate, Scope of Work, and Development Budget must also be consistent with immediate needs identified in the PNA/CNA.

Relocation General Information Notice and Relocation Plan (50 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 General Information Notice (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; and a (2) a project-specific relocation study/plan summarizing the estimated cost and methodology for calculating the relocation expenses. If relocation requirements will not be triggered, the application must clearly demonstrate this.

Instructions for Completing the Verification of Zoning and Other Local Approvals Form

1. Applicant completes only the project information portion of each form, then gives the form(s) to the applicable local government department/agency to complete the zoning, local approvals, and fee portion of the forms.
2. The local official completing the forms must have the knowledge and authority to complete the verifications. It may be necessary for one or more Local Officials to complete the forms. If multiple officials, make copies of the forms for each official.
3. On the Verification of Local Approvals, for any item that is not required, the local official should check the applicable box on the chart and, on a separate sheet, provide a written explanation as to why it is not needed. (Simply stating that the requirement is "N/A" is not sufficient. **Both verification forms must be signed by the appropriate certifying local official and the developer;**

FTHB New Construction

A total of 115 points are possible for Zoning and Local Approvals

1. **Zoning:** 75 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.
2. **Local Approvals Obtained:** 30 points will be awarded if **ALL** required local approvals have been obtained.
3. **Form Complete:** 10 points will be awarded if both the Verification of Zoning and Other Required Local Approvals and the Verification of Local Development Impact Fees forms are complete and included with the application.

FTHB Rehabilitation

A total of 10 points are possible for Local Approvals

1. **Form Complete:** 10 points will be awarded if the FTHB Rehabilitation Verification of Required Local Approvals form is correctly completed and included in the application.

To receive points, the verification forms must be signed by the Local Official AND the Developer.

Department of Housing and Community Development
HOME PROGRAM
Verification of Zoning and Other Required Local Approvals
New Construction Single Family

To the applicant: Complete only the project information portion then submit this form to the local government department having knowledge and authority to provide this verification. The local official is to complete Section I & II.

Applicant Name: _____
 Project Name: _____
 Address /Site: _____
 City & County: _____
 Assessor Parcel Number(s): _____

To the jurisdiction completing this verification: The applicant named above has applied for project funding under the state HOME Program, a competitive lending program. Project Readiness is an important factor in the Departments' project rating process. To assist in this review, please provide the information requested in Section I and II below.

Section I: Zoning. The parcel indicated above is zoned _____, which allows for single-family development of no more than _____ units per acre. The project, as proposed, is zoned for the intended use, complies with the general plan, and with conditional use requirements, if any.

Section II: Required Local Approvals

Check All Required Items		Actual Approval Date or Expected Approval Date	Check if the Item is Not Required
<input type="checkbox"/>	CEQA		
<input type="checkbox"/>	Water & Sewer Hook-Ups		
<input type="checkbox"/>	Design Approval		
<input type="checkbox"/>	Tentative Map Approval		
<input type="checkbox"/>	Final Map Approval		
<input type="checkbox"/>	Other Required (Specify)		

Certification I certify, on behalf of the entities I represent, that the information presented on the attached Local Approvals form is true and correct to the best of my knowledge.

Name of Local Official (print): _____
 Signature: _____
 Agency or Department: _____
 Title _____ Date _____

Developer Name (print): _____
 Signature _____
 Title _____ Date _____

Department of Housing and Community Development
HOME PROGRAM
Verification of Local Development Impact Fees
New Construction Single Family

Itemize all local impact fees to be paid.

Pursuant to TCAC Regulation Section 10302(x), Local development impact fees are defined as: the amount of impact fees, mitigation fees, or capital facilities fees imposed by municipalities, county agencies, or other jurisdictions such as public utility districts, school districts, water agencies, resource conservation districts, etc. **Permit processing fees, building permit fees, and plan check fees are NOT considered local development impact fees.**

TYPE OF FEES TO BE PAID	AMOUNT OF FEE
Community Development Fees	\$
Drainage Facilities	\$
Facilities Assessment	\$
Fire Facilities	\$
General Facilities	\$
Governmental/Environmental	\$
Law Enforcement Facilities	\$
Library Facilities	\$
Parks & Recreation	\$
Public Facilities	\$
Schools	\$
Streets & Signals	\$
Traffic Fees	\$
Waste Water Collection	\$
Waste Water Treatment	\$
Water Facilities	\$
Other (specify):	\$
Other (specify):	\$
Total Estimated Local Development Impact Fees	\$

Certification I certify, on behalf of the entities I represent, that the information presented on the attached Local Approvals form is true and correct to the best of my knowledge.

Name of Local Official (print): _____

Signature: _____

Agency or Department: _____

Title _____ Date: _____

Developer Name (print): _____

Signature _____

Title _____ Date: _____

Department of Housing and Community Development
HOME PROGRAM
Verification of Required Local Approvals
Single Family Rehabilitation

To the applicant: Complete only the project information portion then submit this form to the local government department having knowledge and authority to provide this verification. The local official is to complete the local approvals section.

Applicant Name: _____
 Project Name: _____
 Address /Site: _____
 City & County: _____
 Assessor Parcel Number(s): _____

To the jurisdiction completing this verification: The applicant named above has applied for project funding under the state HOME Program, a competitive lending program. Project Readiness is an important factor in the Departments' project rating process. To assist in this review, please provide the information requested in the local approvals section (chart).

Check All Required Items		Actual Approval Date or Expected Approval Date	Check if the Item is Not Required and explain on separate page.
<input type="checkbox"/>	Planning Department Approval		
<input type="checkbox"/>	Design Review Approval		
<input type="checkbox"/>	All Other Required Approvals (Please List)		
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

Certification I certify, on behalf of the entities I represent, that the information presented on the attached Local Approvals form is true and correct to the best of my knowledge.

Name of Local Official (print): _____
 Signature: _____
 Agency or Department: _____
 Title _____ Date: _____

Developer Name (print): _____
 Signature _____
 Title _____ Date: _____

B. Design Progress (10 points)

New Construction Projects

Submit the following:

1. An executed agreement with the architectural firm identified in Section II of the application for the design (through working drawings) of this project and attach as **Exhibit B12**.

☐ Check if attached

2. Check below the status of plans and specifications on which the Preliminary Construction Cost Estimate reflected in the Construction Sources and Uses are based. Submit a letter from the architect identified in Section II of the application which gives the status of plans and specifications on which these costs are based, and attach as **Exhibit B13**.

☐ Plans and specifications ready to be submitted to the building department (10 points)

☐ Preliminary plans and specifications (at least 35% completed) (7 points)

☐ Conceptual (elevations and floor plans) (5 points)

☐ Other (Describe, and include an estimated percentage of completion): _____% (0 points)

Acquisition/Rehabilitation/Conversion Projects

1. Submit either (a) or (b) below and attach as **Exhibit B12**.

☐ (a) An executed agreement with the architectural firm identified in Section II of the application for the design (through working drawings) of this project;

OR

☐ (b) Evidence that the construction specialist identified in Section II of the application has been retained, or is on the applicant's or developer'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.

2. Check below the status of plans and specifications on which the Preliminary Rehabilitation Cost Estimate reflected in the Construction Sources and Uses are based. Submit a letter from the architect or construction specialist identified in Section II of the application which gives the status of plans and specifications on which these costs are based and attach as **Exhibit B13**.

☐ Plans and specifications ready to be submitted to the building department (10 points)

☐ Preliminary plans and specifications (at least 35% completed) (7 points)

☐ Conceptual (elevations and floor plans) (5 points)

☐ Other (Describe, and include an estimated percentage of completion): _____% (0 points)

C. Construction Financing Commitments (up to 35 points)

Total Construction Cost: \$ _____

Requested HOME construction funds: \$ _____

Other construction financing required: \$ _____

For the construction financing listed in HOME FTHB Project Application Worksheet Exhibit B8, submit construction financing commitments as evidenced by letters or resolutions from the funding sources. Label and attach as **Exhibit B14**. Note also: if you would like the value of waived local fees, or land donations to count toward the percentage of construction financing committed, you must include the value of these items on your Construction Sources and Uses Worksheet

Financing commitment letters must contain the following information:

- the borrower's name;
- the project name (if any);
- the project site address, assessor's parcel number, or legal description; and
- the amount, interest rate, and terms of the financing being committed. If there is an adjustment of the interest rate at some point during the loan term, there must be a ceiling rate, and the adjustment and the ceiling rate must be identified in the financing commitment letter.

If any elements are missing from the construction financing commitment letters, full points cannot be awarded in rating the application on these items. Financing commitments must clearly show that the lender is committing financing to the project. The Department will evaluate the conditions of the financing letter to determine if they qualify the commitment to such a degree that a valid commitment does not exist.

A letter may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include such phrases 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".

Other financing commitments conditioned on the award of bond authority from a public agency will not be accepted without the public agency approval letter, a letter estimating public agency syndication proceeds, and a commitment letter meeting the requirements identified in this section.

Assumable Loans If loan assumption cannot be verified by the preliminary title report submitted with the application, provide a letter from the lender meeting the above requirements.

Federal Loans – Some federal lenders (HUD, RD, and others) may not show the project

location/address on their commitment letters. Therefore, for federal loans only, the letters need not show the project location/address provided that other third-party documentation demonstrates that the federal commitment letter is for the proposed project site. Federal loan letters must still meet all other requirements for commitment letters.

Make sure that you have enough construction financing sources identified in Exhibits B8 and B9 to cover all of your costs, and that the dollar amounts in any construction financing commitment letters you submit correspond with the total amounts listed for that funding source in Exhibits B8 and B9.

Section VIII. State Objectives

Up to 200 points may be earned by meeting one or more of the State Objectives outlined below. Applicants must submit the State Objectives Worksheet for FTHB Projects with their application package to receive these points.

- A. 100 Percent Financing Committed: 85 points will be awarded for projects that have 100 percent of their non-State HOME permanent financing committed by the application due date. Projects receiving 4 percent tax credits qualify for these points, if all commitments other than tax-exempt bonds, 4 percent proceeds, AHP and deferred developer fees are in place.
- B. Overcoming Impediments to Fair Housing – 35 points will be awarded to FTHB projects proposed in census tracts where total minorities are not overrepresented by more than 20 percentage points compared to the percentage of total minorities in the county. Follow the instructions below to retrieve the necessary documentation, and determine whether you qualify for points.
 - 1. Go to <https://data.census.gov/cedsci>.
 - 2. In the search box, type “DP05: ACS DEMOGRAPHIC AND HOUSING ESTIMATES”, then click the “Search” button.
 - 3. At the top of the page, there is a menu that lists the options “All, Tables, Maps, Pages”. Click on “Tables”.
 - 4. The table “ACS Demographic and Housing Estimates” should appear. In the drop-down menu “Product”, select “2017: ACS 5-Year Estimates Data Profiles”.
 - 5. Click on the “Customize Table” button (next to the “Product” drop-down menu).
 - 6. Click on the “Transpose Table” button in the table menu (the button with the arrow between the two blocks).
 - 7. Click on the “Geographies” button in the table menu (the button with the map markers).
 - 8. Select the Census tract where your project is located:

Under the “Geography” list, click “Tract”. Under the “Within State” list, click “California”. Under the “California” list, click on the county where your project is located. Under the list of Census tracts, select the Census tract where your project is located. The table will add a filter for your Census tract.

9. Select the county where your project is located:

Under the “Geography” list, click “County”. Under the “County” list, click “California”. Under the “California” list, select the county where your project is located. The table will add a filter for your county.

10. Minimize the Geography menu by clicking on the “Hide” arrows to the upper right.

11. Click on the “Hide” button in the table menu (the button with the line through the eye).

12. Find the percentage of total non-minorities in the Census tract and county:

Unselect the “All columns” button to uncheck all of the boxes in the list. Scroll down to the buttons under the category “Hispanic or Latino and Race”. Select the button “White alone” under “Not Hispanic or Latino”.

13. Minimize the Filter/Sort menu by clicking on the “Hide” arrows to the upper right.

14. The resulting table shows the population estimate, and the percent of the population, in the county and in the project Census tract, that is “Not Hispanic or Latino, White alone”.

15. Print this table using your Web browser’s Print function.

16. In the Minority Concentration Score Sheet, enter the “Not Hispanic or Latino, White alone” percentages for the project Census tract and County. If the “% point under or over-representation” is 20.0 or less, you qualify for points subject to verification by the Department. Enter “Yes” in the “Project Selection” worksheet.

17. **Include the printout of the data.census.gov DP05 table as Attachment B15, along with the completed Excel chart.**

- C. Policy Objectives – up to 80 points will be awarded to FTHB projects pursuant to projects that serve Special Needs or Homeless populations as follows:

State Objectives: Special Needs/Homelessness Populations	
Percent of Units Designated by the <u>Funding Source as Special Needs/Homelessness Units</u>	<u>Points</u>
30% or more	80
25%	65

20%	52
15%	39
10%	26
5%	13

-- or --

Access to Opportunity: 80 points will be awarded for projects located in areas of opportunity within the TCAC Opportunity Map. <http://www.treasurer.ca.gov/ctcac/opportunity.asp>

For more information see Section IV.B. of the HOME NOFA.

Section IX. FTHB Project Guidelines Checklist

FTHB Project Applicants must submit project guidelines meeting the requirements contained in the Guidelines Checklist below. These project guidelines and the Guidelines Checklist must be submitted with the application. Submit as **Exhibit B16**.

In the FTHB Project Guideline Checklist:

- Indicate the page number where the Guideline requirements are found, and write the Guideline Number (e.g. A1) in the margin of the guidelines themselves. It is not necessary to highlight the text in the Guidelines.
- New Construction Projects should provide the information requested in Section A of the Guidelines Checklist. Acquisition/Rehabilitation/Conversion Projects should provide the information requested in Sections A and B of the Guidelines Checklist.

Section X. Additional Documentation (Applicants requesting HOME funds for permanent financing only who have begun construction)

Applicants requesting HOME funds for permanent financing only (mortgage assistance) who have begun construction on their project must submit their "Authority to Use Grant Funds" letter if proposing a New Construction Project. (Attach as **Exhibit B17**.) Acquisition/Rehab Projects must contact HCD to determine what to submit to demonstrate completion of NEPA. (Attach as Exhibit B17.)

1. All applicants who have begun site development must also submit a Davis Bacon Wage Determination if applicable to the project. (Attach as **Exhibit B18**.) Failure to submit these documents with your application may result in rejection of your application. See the Federal Prevailing Wage Requirements (Davis-Bacon Wage Requirements) section of the NOFA for more information.

Exhibit B16 - FTHB Project Guidelines Checklist**Section A: General HOME Requirements:**

Number	Provision in Guidelines	Instruction	Page Number(s)
A1	List the maximum amount of HOME assistance per unit (or reference an attachment containing these limits).		
A2(i)	Description of type of HOME assistance to be provided (for loan programs: type of loan, interest rate, term, etc.)	Ensure that HOME assistance is provided to the homebuyer in a manner consistent with the State HOME Regulations at Section 8205(c), including but not limited to: 3% simple interest deferred payment fully amortized loans. Grants made in certain specified situations. For State Recipient or Developer loans and CHDOs financing loans with CHDO proceeds, interest rate of zero to three percent; interest may be waived. For loans made by the Department beginning in the 11 th year of the loan, the interest shall be forgiven at a rate of 10% per year.	
A2(ii)	Include a statement that the acquisition price doesn't exceed the current Maximum Purchase Price/After Rehab Value Limit posted on the State HOME website at: http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml or as approved annually by HUD. The Guidelines may also reference an attachment which provides this information.	If your project is restricted to individual homes or condominiums, use only the "one unit" column in the Maximum Purchase Price/After-Rehabilitation Value Limit	
A3	A description of method of determining amount of HOME assistance provided to a household. Explain the process for determining the minimum amount of HOME funds necessary to ensure: a. affordability based on the specific circumstances of the borrower; b. the proposed permanent financing; and c. the proposed unit to be acquired.	Complete First-Time Homebuyer Feasibility Analysis spreadsheet (Exhibit B7 of the HOME FTHB Project Application)	

Number	Provision in Guidelines	Instruction	Page Number(s)
A4	Income limits by household size (or reference an attachment containing these limits). Include statement that the Part V. (Section 8) method for income determination will be used, as described in the Income Calculation and Determination Guide for Federal Programs .	<p>Attach the most current Income limit from the HOME website at: http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml</p> <p>You don't need to re-submit to HCD if you swap Income limits when the new ones are published annually.</p> <p>It is not possible to meet the HOME requirements for income verification and calculation using primary lender income/asset verification forms. The State Recipient, Developer or CHDO must do their own verification of income and assets, and calculation of actual income after allowances.</p>	
A5	Subject to the exemptions allowed, in the Income Calculation and Determination Guide for Federal Programs . A statement that all persons in residence are considered household members for purposes of income eligibility.		
A6	A description of marketing and participant selection process, including income verification procedures. Describe how the units will be marketed. Describe how eligibility and income verification will be done.	For all projects, describe proposed preferences/targeting, if any. Indicate whether unborn children will be counted in family size determination (local decision). Describe method of verifying income and procedures to ensure that verification is current at the time HOME assistance is provided.	
A7	Description of how Fair Housing and Affirmative Marketing (for projects with five or more units) requirements will be met.	Projects of 5+ units – See 2006 Contract Management Manual for Affirmative Marketing requirements	
A8	Conflict of Interest Provision. Provide your own conflict of interest policy that is consistent with the federal HOME Regulations at 24 CFR 92.356.	Go to: eCFR — Code of Federal Regulations (regulation section 92.356) to access a copy of the HOME Conflict of Interest rule	

Number	Provision in Guidelines	Instruction	Page Number(s)
A9	Description of how Homebuyer Education Requirements will be met.	Include description of method(s) to be used for providing homebuyer education and topics to be covered. See State Regulation 8207.1 for basic requirements	
A10	Resale or recapture restrictions including: a. All HOME loans must use the recapture method, unless the property is in a Community Land Trust or in a co-operative ownership form. b. The loans must meet the requirements outlined in Affordability Requirements of the HOME NOFA.	Explain whether the HOME and other loans will be resale or recapture according to HOME requirements. See Affordability Requirements the HOME NOFA	
A11	State Recipients and Developers only Description of verification plan that funded homeowners will remain owner-occupants.	Guidelines must require documentation of ongoing owner-occupant status, i.e. property tax statements showing homeownership exemption, insurance policies, or site visits.	
A12	State Recipients and Developers only a) A description of the required period of affordability per Section 8208 of the State HOME Regulations. b) A statement that no additional HOME assistance may be provided to that homeowner during the period starting one year following the filing of the Project Completion Report through the end of the affordability period.		

Exhibit B16 – FTHB Project Guidelines Checklist
Section B: Acquisition/Rehabilitation/Conversion Projects

Number	Provision in Guidelines	Instruction	Page Number(s)
B1	<p>a) Description of how properties will meet state health and safety code and local code requirements.</p> <p>b) Written standards for rehabilitation include local codes, ordinances, and zoning requirements.</p>		
B2	<p>Either a statement that tenant-occupied properties are not an issue with this project or a statement that in those cases federal relocation requirements must be met. Generally, a unit being acquired is considered tenant-occupied unless the unit has been vacant for 3 months prior to the purchase agreement date. Note: HOME funds may be used as grants to pay for relocation costs when a unit is tenant occupied; submitting a relocation plan is required.</p>		
B3	<p>Description of method for estimating after-rehabilitation value prior to loan commitment. This value must not be higher than the current Sales/Value Limits (published on the HOME website at: http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml or as otherwise approved annually by HUD. State those limits or reference an attachment.</p>	<p>Guidelines must include one of three following methods:</p> <ol style="list-style-type: none"> 1. Estimates of value by the jurisdiction may be used. The project files must contain the estimate of value and document the basis for the value estimates. 2. Appraisals can be licensed fee or staff appraisers. The project files must document the appraised value and the appraisal approach used. 3. Tax assessments for a comparable property located in the same neighborhood may be used to establish after-rehab value if the assessment is current and accurately reflects market value after rehab. 	