Pre-Submission Conference New Construction NOFA 2023

October 18, 2023

Ragan Henninger
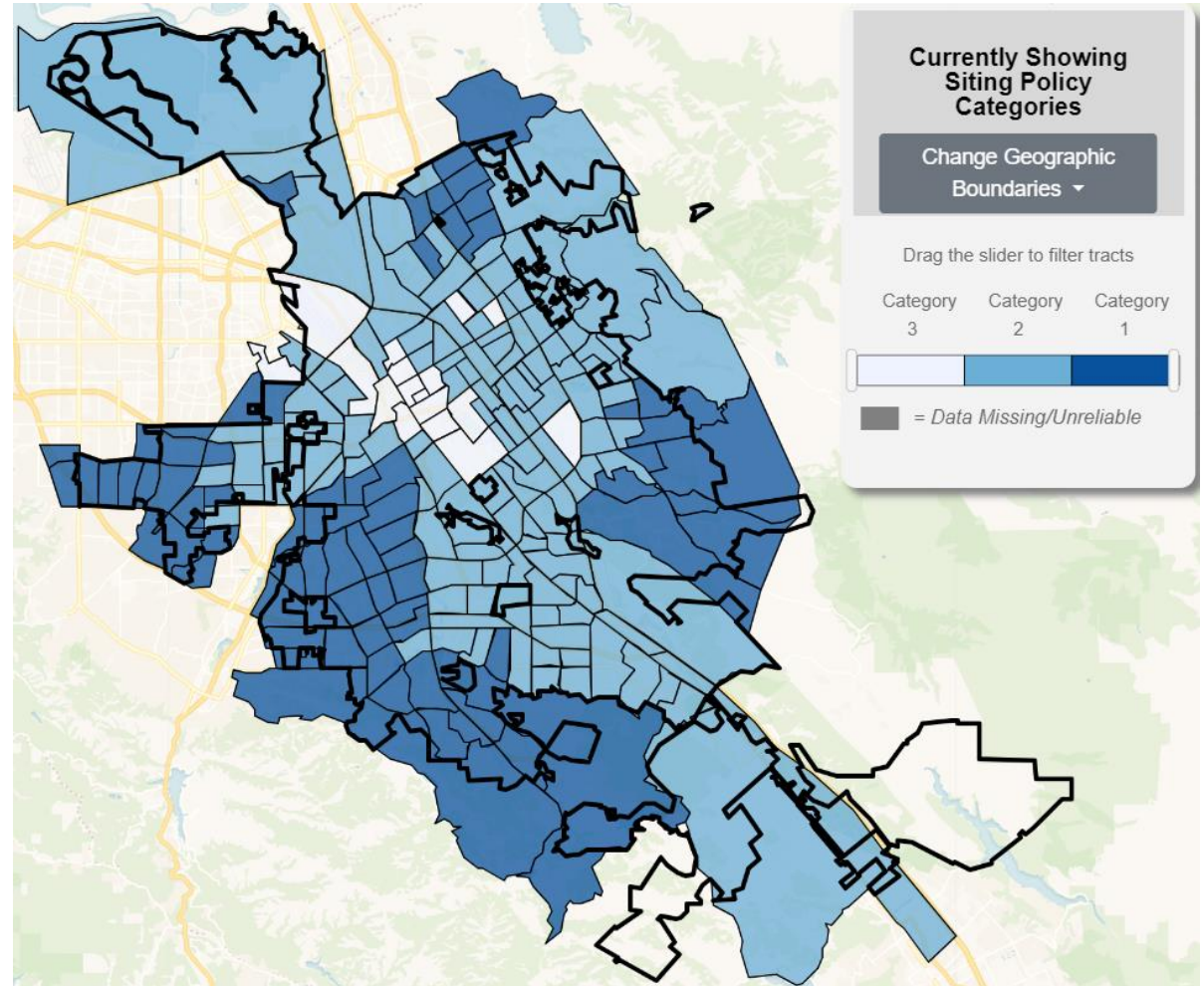Deputy Director of Housing

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Affordable Housing Siting Policy

- 🏠 Funding per unit will be capped by Siting Policy Category.

- 🏠 Category 1: Affordable Housing Expansion Area

- 🏠 Category 2 & 3: Continued Investment Area

- 🏠 To confirm a siting policy category, please use the following map:

- 🏠 https://belonging.gis-cdn.net/sjc_siting_map/

Currently Showing Siting Policy Categories

Change Geographic Boundaries ▾

Drag the slider to filter tracts

Category 3   Category 2   Category 1

⬛ = Data Missing/Unreliable

Funding Availability

⌂ $50 Million Available for:
  - Acquisition Funding (Up to 100% LTV)
  - Construction & Permanent Financing

⌂ For this round of the NOFA, the available funds will be distributed as follows:
  - Affordable Housing Expansion Area
    - o Up to $325,000 per 60% AMI unit or below
  - Continued Investment Area
    - o Up to $200,000 per 60% AMI unit or below
  - 70% AMI units will be awarded a maximum of $50,000 per unit regardless of Siting Policy category.

Threshold Requirements: Pt. 1

Eligible Applicants must meet all Threshold Requirements in Section 4 of the NOFA, submitting the necessary documents along with a complete Application Checklist & Form (Exhibit A).

- **Site Control**: Demonstrate an enforceable right to use the site for the proposed development prior to funding commitment.
  - Fee Title, or
  - Executed ground lease, or
  - Executed purchase and sale agreement, or
  - Enforceable option to purchase

- **Project Readiness**: Projects must be ready to apply to CTCAC/CDLAC for a round in calendar year 2025 or 2026. The City's prior remaining NOFA awardees will take priority for City Council commitments in 2024.

Threshold Requirements: Pt. 2

- ⌂ **Environmental Assessment:** Applicants must submit a Phase 1 and soil testing for potential hazards. If conditions are listed, Phase II will be required, detailing the required remediation measured.

- ⌂ **Leverage:** Applicant must propose the maximum use of available funding sources other than senior debt, CSJ debt, and standard 4% or 9% tax credit executions.

- ⌂ **Feasibility:** Applicant must submit a 55-year project financial feasibility proforma. Use of the TCAC 55-year proforma is acceptable.
  - The Applicant must also demonstrate that the project is feasible under the 9% or 4% Low Income Housing Tax Credit program.

Threshold Requirements: Pt. 3

- **Option to Purchase/Ground Lease:** the City may require the Borrower to execute an option to purchase in connection with its loans, subject to a ground lease back to the borrower for new construction projects that have not yet received a gap financing commitment from the City. See Underwriting Manual, Section 8– Ground Lease Policy.

- **City of San José Bond Issuance Policy**: The City shall be the issuer of all bonds financing multifamily housing rental projects within the City for projects which receive an award under this NOFA.

- Please refer to Section 4 for all other Threshold Requirements

Scoring Pt. 1

Category	Points Awarded	Max Points
Project Readiness / Planning Entitlements • Planning Entitlements In Progress • Planning Entitlements Not Initiated	 10 0	10
Cost Effectiveness • Per-unit cost ≤ $800,000 • Per-unit cost > $800,000 up to $1,000,000 • Per-unit cost > $1,000,000	 10 5 0	10
Leveraging City Funds • City Funding Request of < $150,000 per unit • City Funding Request of > $150,000 per unit	 20 0	20
Family Housing • Studio/SRO • 1 Bedroom (10 points max allowed) • 2 Bedroom • 3 Bedroom	 0 per unit 0.5 per unit 1 per unit 2 per unit	40

Scoring Pt. 2

Category	Points Awarded	Max Points
Average Affordability Mix • < 40% Average AMI • 40 - 44% Average AMI • 45 - 49% Average AMI • ≥ 50% Average AMI	 40 30 20 0	**40**
Supportive Housing • PSH/RRH commitments for ≥ 20% of units • PSH/RRH commitments for < 20% of units • None	 20 10 0	**20**
Total Project Points		***140***

Scoring Pt. 3

UNIT TYPE	POINTS PER UNIT TYPE	MIN # OF UNITS REQUIRED TO GAIN MAX PTS.
Studio/SRO	0	N/A
1 BR	0.5	20 (Max Cap at 10 pts)
2 BR	1.0	40
3 BR	2.0	20

- ⌂ **Family Housing (40 max points):** To encourage the building of a diverse range of unit sizes, points will be given to each unit size as outlined above up to a maximum of 40 points
  - A project must utilize more than one unit size type to receive points in this category unless all units are 2+ bedroom units.
  - A maximum of 10 points will be allowable for one-bedroom units

Scoring Pt. 4

- **Average Affordability Mix (40 Max Points):** The City priority is to commit 40% of available affordable housing development funds to ELI housing. Projects demonstrating average affordability of < 40% AMI will earn the maximum 40 points.

- **Supportive Housing (20 max points):** Projects will be given 1 point (up to 20) for each percent of Supportive Housing units being provided for homeless or formerly homeless households.

Bonus Points Pt. 1

Bonus Categories	Points	Max Points
Maximizing Density	10	**10**
Food Access	10	**10**
Childcare Facilities	10	**10**
City-Owned Sites	15	**15**
Co-Developments with Emerging, BIPOC, Community-based Developers	10	**10**
Increased Accessibility for Disabled People • Additional 10% of Accessible units beyond code minimum • Conducting an "Inclusive Design Workshop"	 5 10	**10**
Non-Tax Credit Financing Plans	10	**10**
9% TCAC Application	10	**10**
Other Anticipated Subordinate Financing • HCD as a funding source • County as a funding source • Other subordinate funding sources	 10 10 5	**25**
Project-Based Vouchers		**20**
Total Possible Points from Project (140) + Bonus (130) Categories		***270***

Bonus Points Pt. 2

- **Maximizing Density (10 bonus points):** Projects maximizing number of units permissible under the site's existing general plan will receive an additional 10 points.

- **Food Access Plan (10 bonus points):** Proposals that include space for the access/distribution of healthy food will be given an additional 5 points for including a written narrative of the Food Access Plan.
  - Design Requirements met and 1-page narrative = 10 bonus points
  - Design Requirements met = 5 bonus points
  - None = 0 bonus points

- **Childcare Facilities (10 bonus points)**: Projects located within a priority zip code for a childcare center and are willing to redesign their building to accommodate a childcare center will receive 10 points.

- **City Owned Sites (15 bonus points):** Proposed projects to be developed on currently City-owned sites within the appropriate readiness category may receive an additional 15 points.

- **Co-Developments with Emerging, BIPOC, and Community-Based Developers (10 bonus points):** Sponsors that partner and propose a co-development project with Emerging, BIPOC, and/or Community-Based Developers will receive an additional 10 points.

Bonus Points Pt. 3

- **Increased Access for Disabled People (10 bonus points):** Projects which commit to providing an additional 10% of Accessible Units beyond the CA Building Code for disabled people will receive 5 additional points. Hosting an Inclusive Design Workshop to gather feedback and recommendations from disabled people will allow the project to receive an additional 5 points for 10 total bonus points.

- **Non-Tax Credit Financing Plans (10 bonus points):** Projects that propose an alternative source of financing in place of allocations from CDLAC/TCAC, such as HCD's Accelerator Program, will receive an additional 10 points.

- **9% TCAC Application (10 bonus points):** Projects which anticipate applying to TCAC's 9% round in the coming 24 months will receive an additional 10 points.

- **Other Anticipated Subordinate Financing (25 bonus points):** Projects that leverage several sources and anticipate applying for funds outside of the City's will be awarded additional points as follows:
  - HCD as a funding source – 10 additional points
  - County as a funding source – 10 additional points
  - Other subordinate funding sources – 5 additional points

- **Project-Based Vouchers (20 bonus points):** Proposed projects that have received a Conditional Award letter for PBVs from Santa Clara County Housing Authority will receive an additional 20 points.

Tiebreakers

- ⌂ Housing Department Staff will consider the following Tie Breakers to determine final awards.
  - Lowest Average Affordability
  - Percentage of ELI (30% AMI) units.
  - Percentage of PSH/RRH units restricted for homeless or formerly homeless families.
  - Percentage of TAY units.

Application Process

- Applicants may obtain copies of NOFA, Application & all documentation through Biddingo after creating a profile.

- Applications are due on **Wednesday, November 29, 2023, before midnight.**

- Application Completeness Notices and/or Requests for Clarification, if an application is incomplete, will be sent to Applicants via email on or before **Friday, December 8, 2023.**

- Responses to Requests for Clarification will be due by **Friday, December 15, 2023,** via email.

- **Late submissions may disqualify the application.**

Important Dates

EVENT	DATE
NOFA Released	October 10, 2023
Pre-Submission Conference (Optional) - 2:00-3:00 PM	October 18, 2023
Deadline for Submission of Questions - 3:00 PM	October 31, 2023
Answers to Submitted Questions Posted - 3:00 PM	November 13, 2023
Deadline for Applications to be Considered - 11:59 PM	November 29, 2023
Application Completeness Notices or Requests for Clarification	December 8, 2023
Publish Award Recommendations	January 8, 2024
Deadline to Submit an Appeal - 3:00 PM	January 18, 2024
Notification of Final NOFA Awards	January 26, 2024

Questions?

- ⌂ Please submit questions via the Q&A Portal in Zoom

- ⌂ All questions that have been submitted will be provided a written response within the Biddingo Portal

- ⌂ All responses to questions will be published to Biddingo by November 13th at 3pm