



Housing Department

NOTICE OF FUNDING AVAILABILITY

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TABLE OF CONTENTS

1. INVITATION 3

2. MULTIFAMILY UNDERWRITING GUIDELINES (Exhibit B)..... 3

3. FUNDING AVAILABILITY AND PRIORTIZATION 3

3.1 Available Funds 3

3.2 Loan Limit..... 3

3.4. Affordable Housing Siting Policy 4

3.5 Application Minimum Score..... 4

3.6 Addressing Food Insecurity..... 4

3.7 High-quality Cost-Effective Design..... 5

3.8 Childcare Facilities..... 5

3.9 Increasing Accessibility for Disabled People 5

4. THRESHOLD REQUIREMENTS..... 6

4.1 Eligible Applicants 6

4.2 Compliance on Existing City Projects 6

4.3 Property Management..... 6

4.4 Supportive Services Plan and Experience 6

4.6 CTCAC/CDLAC Project Readiness 7

4.8 Affordable Housing Siting Policy 7

4.9 Leverage 8

4.10 Project Financial Feasibility and Cost Effectiveness..... 8

4.11 Community Engagement 8

4.12 Inclusionary Housing Ordinance 9

4.13 Option to Purchase/Ground Lease 9

4.14 City of San Jose Bond Policy..... 9

5. PROJECT SCORING..... 10

5.2 Cost Effectiveness (20 Max Points) 11

5.3 Family Housing (0- 50 Points) 11

5.4 Extremely Low-Income Housing (25 Max Points) 11

5.5 Supportive Housing (20 Max Points)..... 12

5.6 Food Access (10 Max Points) 12

5.7 Bonus Categories (0- 60 points)..... 12

5.8 Tiebreakers..... 13

6. APPLICATION SUBMISSION REQUIREMENTS.....	13
6.1 Application Form.....	13
6.2 Project Summary.....	13
6.3 Technical Capacity and Experience.....	13
6.5 Property Management and Operations Plan.....	14
6.6 Supportive Service Plan and Operating Budget.....	14
6.7 Food Access Plan.....	15
6.8 Project Development and Readiness.....	15
6.9 Financing Structure.....	15
6.9 Leveraging.....	16
6.10 Cost Effectiveness.....	16
6.11 Preliminary Title Report.....	16
6.12 Purchase Price.....	16
6.13 Property Valuation.....	17
6.14 General Plan Land Use Designation/Zoning.....	17
6.15 Community Engagement Plan.....	17
7. APPLICATION PROCESS.....	17
7.1 How to Obtain This Notice of Funding Availability (NOFA).....	17
7.2 Application Process and Initial Review.....	18
7.3 Submission Format-Electronic Application Submittal.....	18
7.4 Pre-application Conference.....	18
7.5 Application Due Date.....	19
7.7 Evaluation Panel.....	19
7.8 Bonus Categories.....	19
8. POST SELECTION PROCESS.....	20
8.1 Selection Notice.....	20
8.2 City Council Project Approval and Funding Allocation.....	20
8.3 Project Progress.....	20
8.4 Entitlement and Environmental Clearance.....	20
9. DEFINITIONS.....	20
10. EXHIBITS AND ATTACHMENTS.....	23
10.1 Exhibits.....	23
10.2 Attachments.....	23

1. INVITATION

The City of San José Housing Department (CSJHD) is moving to a multi-round NOFA process that will generally be announced in Spring and Fall. Through this Round, CSJHD invites qualified applicants to submit written proposals for new affordable multifamily rental housing projects that will provide housing for extremely low-, very low-, and low- income individuals and families, with 45% of the funding prioritized for ELI housing. CSJHD is providing gap financing for multifamily affordable housing, including supportive housing, located within the specified Growth Areas identified in Section 3.5 below. Proposals shall be submitted using the attached Exhibit A - Application Checklist and Application Form.

2. MULTIFAMILY UNDERWRITING GUIDELINES (Exhibit B)

In preparation of your response to the NOFA, refer to Exhibit B - Multifamily Underwriting and Compliance Manual (“Underwriting Manual”) attached hereto. Exhibit B are requirements that establish many of the terms, conditions and procedures for funds awarded for eligible projects by CSJHD.

3. FUNDING AVAILABILITY AND PRIORTIZATION

3.1 Available Funds

CSJHD is making available **\$150,000,000** for gap financing for multifamily affordable rental housing projects that meet basic threshold criteria. Only new construction projects will be awarded funding under this NOFA. Funding will be provided in the form of a loan for construction and permanent financing, which may also include acquisition costs.

The funding sources used for these NOFA Awards will include, Low- and Moderate-Income Housing Asset Fund, Affordable Housing Impact Fees, Inclusionary Housing Ordinance In-Lieu Fees, HOME, and Measure E. See Attachment A - City Funding Sources to review the City’s description of the available funding sources for affordable housing, and how those funds may be used.

3.2 Loan Limit

CSJHD will provide low-interest rate loans to eligible projects. The construction and permanent loan amount for any project will vary depending on Siting Policy Category and proposed AMI ranging from \$50,000 per unit to \$150,000 per eligible unit. For acquisition loans, the City will only provide funding for 100% loan-to-value per City approved appraisal, plus City-approved costs associated with acquisition. See Exhibit B, Multifamily Underwriting and Compliance Manual, Section 4-Financing Options and Fees.

3.3 Affordable Housing Investment Priorities

The City of San Jose is committed to creating and preserving affordable housing to meet the needs of our housing unstable residents. See Attachment B – City of San Jose Affordable Housing Investment Priorities.

The Housing Department will evaluate the proposals and identify the best mix of proposals to meet City Council directives.

3.4. Affordable Housing Siting Policy

With direction from City Council to release the NOFA with the proposed Affordable Housing Siting Policy framework, applicants are required to use the Affordable Housing Siting Policy Map to determine which Category the project site is located within. Available funds will be allocated to each category to coincide with the goals of the Affordable Housing Siting Policy and the highest scoring projects within each category will be awarded funding

For this round of the NOFA, the available funds will be distributed as follows:

Category 1:	Category 2	Category 3
\$150,000 per 60% AMI unit or below	\$125,000 per 60% AMI unit or below	\$100,000 per 60% AMI unit or below
<i>80% AMI units will be awarded a maximum of \$50,000 per unit regardless of siting policy category.</i>		

For more information regarding the new siting policy, please refer to the City’s website:

<https://www.sanjoseca.gov/your-government/departments-offices/housing/developers/affordable-housing-plans-policies/affordable-housing-siting-policy>

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

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

3.5 Application Minimum Score

CSJHD expects to allocate all available funds to projects meeting threshold requirements and scoring criteria as defined in Section 4 - Threshold Requirements, and Section 5 - Project Scoring. Applications must score a minimum of 75 Project Points. Bonus points will only be awarded to projects which meet this threshold.

3.6 Addressing Food Insecurity

Proposals shall address food insecurity for low-income households with a project design that includes space for the provision of support services and space for access/distribution of healthy food. Examples of healthy food distribution are:

- On-site food pantry to meet basic food security needs
- On-site prepared meals to provide convenient meal access, and to build a sense of community
- Meals on Wheels, home delivered meals to residents with limited mobility

Applicants are encouraged to review Attachment D to review the desired accommodations and are expected to provide a written narrative identifying the food distribution strategies at the development and are expected to propose of alternatives in the event that the project is unable to meet the minimum design standards.

3.7 High-quality Cost-Effective Design

Projects must incorporate high-quality, energy efficient, cost-effective design and amenities appropriate for the target population being proposed and is consistent with TCAC's Sustainable Building Standards for new construction, including common space for residents.

For PSH units, developments should include features that address the housing and services needs for supportive housing residents and provide a budget for the proposed services.

3.8 Childcare Facilities

The City of San José has a shortage of 39,000+ childcare, preschool, and afterschool spaces. When parents and caregivers are unable to find childcare, this has profound impacts on the City's business, education, transportation, and housing sectors. Childcare facilities are essential for a thriving community and workforce. All developers can play a vital role in a community by including a childcare facility in their project. Developers and childcare experts can work together to provide communities with critically needed childcare facilities.

The Housing Department has worked with the San Jose Public Library Early Education Services department to determine priority zip codes has provided development guidelines to better integrate childcare centers into future affordable housing sites. Projects that include childcare centers in their designs and are within the identified priority zip codes may be eligible for bonus points in this NOFA. Please refer to section 5 to determine scoring criteria and review Attachment E.

3.9 Increasing Accessibility for Disabled People

The Housing Department strives to ensure that every program, service, benefit, activity and facility operated or funded with federal, state, and local funds is fully accessible to, and useable by, people with disabilities. Housing Department staff welcome feedback on access needs and suggestions for improvement. We commit to seeking technical assistance and providing support to grantees as we strive to do better to meet the Americans with Disabilities Act (ADA) as well as other federal, state and local access codes and disability rights laws.

Projects that are committed to increasing accessibility beyond the minimum ADA requirements and are open to feedback and input from people with disabilities may be eligible for bonus points. Please refer to Section 5.7 for specifics. For informational purposes only, applicants are encouraged to review the "Housing Design Standards for Accessibility and Inclusion" published by the Kelsey in September of 2021 (© 2021 The Kelsey® The Kelsey is a 501c3 nonprofit. EIN 84-2909645):

<https://thekelsey.org/learn-center/design-standards/>

4. THRESHOLD REQUIREMENTS

4.1 Eligible Applicants

Eligible Applicants (Applicants) include non-profit organizations, mission-aligned for-profit housing corporations, joint ventures, limited liability companies, and partnerships. Applicants must demonstrate technical capacity and experience in developing, owning, and operating affordable housing projects or partner with an entity that has the required experience. Applicants must demonstrate experience relevant to owning and developing three (3) qualifying affordable rental housing projects as defined in Section 9 – Definitions. If the Applicant has experience developing less than 3 qualifying affordable rental housing projects, the Applicant will be required to partner with a developer that meets the experience requirement. Applicant’s proposal must comply with the Multifamily Underwriting and Compliance Manual (Exhibit B).

4.2 Compliance on Existing City Projects

Applicant must be in good standing and remain in good standing, with CSJHD and have complied with their obligations, while not being subject to penalties, non-compliance or disciplinary actions, or negative financial or project management history with the City of San Jose within the last 36 months (e.g., Applicant has not been in monetary default on a loan from the City and has been current on all financial obligations, rent ceilings, and compliance documentation). See Underwriting Manual, Section 3.2.

4.3 Property Management

Applicant, or Applicant’s property management agent must demonstrate successful and relevant experience and approaches to managing affordable housing developments with similar populations as those being proposed and as outlined in the Underwriting Manual, Section 14 – Property Management.

The Property Management plan must include a resident service plan appropriate for the targeted population and tenant selection criteria as outlined in the Multifamily Underwriting and Compliance Manual, Section 11.5.

The Applicant must submit information about the property management staff or agent and a brief description of how the property will be managed to ensure compliance. Applicant must submit evidence of successfully managing, or property management agent’s successful management of at least five (5) qualifying projects, each project with ten or more units, and subject to recorded regulatory agreements for at least two years prior to the application and subject to satisfactory review by a local government funder. Provide a minimum of 3 local government contacts, including name, title, phone # and email, as references.

4.4 Supportive Services Plan and Experience

The Applicant or the Applicant’s supportive service agent must have experience providing supportive services at a minimum of one (1) qualifying project with the proposed target population.

For Permanent Supportive Housing (PSH) projects, the service provider must be on the Santa Clara County Office of Supportive Housing (“OSH”) approved service provider list. The service

provider's qualifying project must have a comprehensive service component, including assistance to individuals and families to retain stable housing, improve their health status, access/distribution of healthy food, maximize their ability to live, and possibly work in the community. The service plan will be subject to satisfactory review by the support services funder. Applicants must comply with the Multifamily Underwriting and Compliance Manual, Section 11 – Supportive Housing Policy. Expenses for the delivery of services for PSH households shall primarily be paid by a separate funding source other than project income see Multifamily Underwriting and Compliance Manual, Section 13.9 – Operations, Supportive Housing.

4.5 Site Control

Applicant must demonstrate they are working to obtain site control & can be documented via:

- a. Fee Title, or
- b. An executed ground lease, or
- c. An executed purchase and sale agreement, or
- d. An enforceable option to purchase, or

An enforceable right to use the site for the proposed development must be obtained prior to funding commitment.

4.6 CTCAC/CDLAC Project Readiness

Projects must be ready to apply to the California Tax Credit Allocation Committee (CTCAC) and/or California Debt Limit Allocation Committee (CDLAC) for a round within the next 24 months of the application. The City has additional requirements for applicants applying to CTCAC/CDLAC that will need to be met prior to the actual filing of a CTCAC/CDLAC application. The City, under certain circumstances, may prioritize the order of projects moving forward for tax credit purposes.

4.7 Environmental Assessment

Applicants must submit a Phase 1 Environmental Assessment for potential toxins or hazards. If environmental conditions are listed, applicants must also submit a Phase II Environmental Assessment detailing the required remediation measured. Prior to the final funding commitment (in full or portion), projects must be assessed in accordance with the California Environmental Quality ACT (CEQA) or determined to be exempt by Planning. If the proposed project is being financed with federal funds, the project must also be assessed in accordance with the National Environmental Policy act of 1960 (NEPA). NEPA review should be coordinated with CEQA review to the extent possible.

4.8 Affordable Housing Siting Policy

The purpose of the Siting Policy is to increase affordable housing choice through equitable development that meets the needs of underserved residents, reduces disparities among communities and continues to build vibrant and healthy places. The Siting Policy is intended to find the right balance in order to achieve multiple objectives including creating much needed affordable housing while ensuring that choice and housing opportunities for lower income households are available throughout the City. To meet fair housing requirements, cities that receive federal housing funds must take meaningful actions to affirmatively furthering fair housing choice. In developing the Siting Policy to align with fair housing laws, the City is working to remove barriers to accessing housing, to increase low-income housing in

opportunity areas, and to identify ways to rebalance the distribution of affordable housing in existing and pipeline affordable housing developments across neighborhood categories. The City intends this policy to provide a “both/and” approach to affirmatively furthering fair housing – where low-income people both have increased access to opportunity area neighborhoods and where there is intentional investment to increase resources in historically underserved neighborhoods. The City’s goal is to develop affordable housing in both high-income and low-income areas; increase access to affordable housing, prevent displacement; and provide quality affordable housing where people from different races and ethnicities can live and thrive in the City of San José.

Each proposal will be required to identify which Siting Policy Category the development falls under and will be subject to the limitations presented in section 3.4 to determine how the siting policy will work within the context of this NOFA.

4.9 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.

As City’s gap financing resources are limited, developer partners are required to aggressively pursue other funding sources to both minimize the City’s gap loan as well as ensure the long-term feasibility of the project.

Specifically, developer partners must obtain commercial loans sized with the highest loan-to-value and lowest debt service parameters that are commercially available in the marketplace as well as demonstrate their efforts to obtain other subordinate loans or grant financing.

4.10 Project Financial Feasibility and Cost Effectiveness

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. Applicants must submit applications for 9%, 4% or hybrid TCAC executions.

Applicant proformas must include the following details:

- a. Acquisition and predevelopment sources and uses of funds
- b. Construction and permanent sources and uses of funds
- c. 55-year cash flow analysis
- d. Proposed Unit Mix
- e. Proposed Construction Budget that include per unit costs

4.11 Community Engagement

Applicants are required to develop and implement a community engagement plan that incorporates diversity, equity, and inclusion of community members to include the following but not limited to:

- a. Engage and inform elected and local public officials;
- b. Build active community support;

- c. Identify communities with diverse cultural and linguistic needs in various neighborhoods in San Jose & develop culturally and linguistically relevant communication materials reflective of those communities;
- d. Engage with the proposed community, its residents, and surrounding businesses that may be affected by the proposed development to adequately address their concerns; and
- e. Method of tracking the engagement progress to report and refine engagement strategies as needed.

4.12 Inclusionary Housing Ordinance

Many residential developments will be subject to the City's Inclusionary Housing Ordinance, as amended, and will be subject to an Inclusionary Restriction. As part of the application process with the Planning Department, the Applicant shall submit to the Housing Department an Affordable Housing Compliance Plan Application, including all relevant attachments and the applicable processing fee.

Please see this link for information pertaining to the IHO: <https://www.sanjoseca.gov/your-government/departments/housing/developers/inclusionary-ordinance-housing-impact-fee>

4.13 Option to Purchase/Ground Lease

To ensure long-term affordability and viability of publicly funded housing, 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. Projects with existing City loans are not subject to this policy. See Underwriting Manual, Section 8– Ground Lease Policy.

Other Requirements:

- a. The term of the ground lease shall be 55-99 years,
- b. All other lenders must agree to the form lease,
- c. The price paid by the City for the land will be negotiated as part of the underwriting process, and
- d. All projects must submit an appraisal to support the stated land value on the proforma.

4.14 City of San Jose Bond Policy

The City of San José shall be the issuer of all bonds financing multifamily housing rental projects within the City for projects which receive an award under this NOFA. Developers are expected to read the City of San Jose POLICY FOR THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS prior to submitting a NOFA application and will be required to comply with all applicable policies. City Staff shall determine the order in which NOFA awarded projects may apply to each CDLAC round to ensure that the highest-scoring projects are prioritized in each set-aside/pool for each CDLAC round.

To review the most recent version of the City's Bond Policy, please use the link below:
<https://www.sanjoseca.gov/home/showdocument?id=12097>

5. PROJECT SCORING	
Category	Maximum Points
1. Project Readiness	30
b. Planning Entitlements Secured	
a. Fully Entitled	30
b. In Progress	15
2. Cost Effectiveness	20
a. Per-Unit Cost \leq \$652,000	20
b. Per-Unit Cost \geq \$652,000	10
3. Family Housing	50
a. Studio (SRO)	0 per BR
b. 1 Bedroom	0.5 per BR
c. 2 Bedroom	1 per BR
d. 3 Bedroom	2 per BR
4. Extremely Low-Income Housing	25
a. \geq 50% of units	25
b. $<$ 50% of units	15
5. Supportive Housing	20
6. Food Access Plan	10
Total Project Points	155
7. Bonus Categories	75
a. HCD Committed Funding	20
b. Other Committed Funding	10
c. CDLAC/CTCAC Point System Sheet	5
d. City-Owned Sites	10
e. Childcare Facilities	10
f. Co-Developments with new Developers	10
g. Increased Accessibility for Disabled People	10
TOTAL POINTS - PROJECT + BONUS	225

All projects must meet the threshold criteria to be considered for funding. In addition, all projects will be evaluated for the cost efficiency and success in leveraging other funding sources to limit the amount of CSJHD subsidy. The City will also consider other factors in prioritizing and determining if a project will be funded. Other factors include: 1) project readiness; 2) cost reasonableness and total development cost; and 3) target population and number of units.

The City reserves the right to make awards in an amount less than requested by the Applicant, or reject all applications based upon cost and funding considerations or submission of grossly incomplete applications or inaccurate projections.

Applications must result in a minimum score of 75 Project Points (not including Bonus Points) to be considered for funding in this round. Once projects are scored, they will be evaluated against all other projects within each of the three siting policy categories. The highest scoring projects will be awarded in each category as funding allows.

5.1 Project Readiness (30 Max Points)

Shovel Ready projects, that are ready to apply to the CDLAC and/or CTCAC will take priority. A project is “ready” for a CDLAC and/or CTCAC round and the project is:

- a) Fully Entitled (30 Points)
- b) In Progress (15 Points)

5.2 Cost Effectiveness (20 Max Points)

Project unit cost at or below \$652,000 per unit will be awarded the maximum points. Unit costs shall be exclusive of supportive service costs or any commercial use costs. City would like to encourage and challenge all developers to find creative solutions to reducing costs. Each project’s financial plan will be scored according to the degree to which it is feasible and consistent with the requirements, limitations and opportunities associate with the proposed sources, proposed development costs that are comparable to other similar projects
Unit Costs of Construction

- a) Unit Cost \geq \$652,000 (20 Points)
- b) Unit Cost \leq \$652,000 (10 Points)

5.3 Family Housing (0- 50 Points)

To encourage the building of a diverse range of unit sizes, points will be given to each unit size as outlined below up to the maximum of 25 points. **A project must utilize more than one unit size type to receive points in this category. A maximum of 10 points will be allowable for one bedroom units.**

UNIT BEDROOM PRODUCTION	POINTS PER BEDROOM TYPE	MINIMUM # OF UNITS REQUIRED TO GAIN MAXIMUM POINTS
Studio (SRO)	0 PTS	N/A
1 Bedroom	.5 PTS	100
2 Bedroom	1.0 PTS	50
3 Bedroom	2.0 PTS	25

5.4 Extremely Low-Income Housing (25 Max Points)

A City priority is to commit 45% of available affordable housing development funds to ELI housing. Projects demonstrating that at least 50% of units will be available to ELI households will earn the maximum 25 points. Projects demonstrating less than 50% of units available for ELI households will earn 15 points.

5.5 Supportive Housing (20 Max Points)

Supportive Housing is an evidence-based housing intervention that combines supportive services and housing that is affordable to families and individuals who are experiencing or have experienced homelessness. This includes both Permanent Supportive Housing (PSH) and Transition In Place (TIP) units (also referred to as Rapid Re-housing units). Applicants must comply with the Underwriting Guidelines in Exhibit B Multifamily Underwriting and Compliance Manual, Section 11 – Supportive Housing Policy.

Projects will be given 1 point for each percent of Supportive Housing units being provided for homeless or formerly homeless households.

SUPPORTIVE HOUSING SCORING EXAMPLE	
Total Number of Units	100
Total Number of Supportive Housing Units	21
Percent of Supportive Housing Units	21%
TOTAL POINTS FOR SUPPORTIVE HOUSING UNITS	20 (Max)

5.6 Food Access (10 Max Points)

Proposals shall address the food insecurity needs of the residents with a project design that will include space for the access/distribution of healthy food. See Section 3.6 –Addressing Food Insecurity and Attachment D for more detail. Projects will be given 5 points if they include a 1-page maximum written narrative outlining the Food Access Plan and an additional 5 points will be awarded for projects that are able to meet or exceed the minimum standards.

5.7 Bonus Categories (0- 60 points)

- 1) HCD Committed Funding: Projects that have committed HCD funding will be awarded 20 bonus points. Projects which anticipate applying to HCD funding programs in the coming 24 months will receive 10 points.
- 2) Committed Funding: Projects that have committed funds as evidenced by a commitment letter provided by the funder will be awarded points as follows:
 - a) No other sources of funding commitments – 0 Points
 - b) Up to 50% of funding source commitments – 5 Points
 - c) 50%+ of funding source commitments – 10 Points
- 3) Submission of your CDLAC/CTCAC application Point System Sheet - 5 points.
- 4) City-Owned Sites. Proposed projects to be developed on City-owned sites within the appropriate readiness category may receive an additional 10 points.
- 5) Childcare Facilities. Projects which include (or commit to redesigning the project to provide) a minimum of 6,000 square feet of commercial space within the building design and are committed to working with the City to provide a childcare center in the development will receive 5 points. Projects committed to providing a childcare center in the development and are located within a HIGH or MODERATE priority zip code as identified in Attachment E will receive an additional 5 points.
- 6) Projects that propose a co-development with developers with less than 3 qualified projects will earn an additional 10 points.

- 7) Increased Accessibility for Disabled People. Projects which commit to providing an additional 10% of Accessible units beyond the Building Code Minimum requirements for disabled people will receive 5 points. Projects that commit to conducting a minimum of one “Inclusive Design Workshop” with disabled people to provide feedback and recommendations on building design beyond the minimums in the ADA code will get 5 additional points.

5.8 Tiebreakers

Occasionally, more than one project may have identical scores requiring tie breakers. Housing Department Staff will consider the following Tie Breakers to determine final awards.

1. Lowest Average Affordability
2. Percentage of ELI (30%) units of the total units.
3. Percentage of units of the total units restricted for homeless or formerly homeless families.

6. APPLICATION SUBMISSION REQUIREMENTS

Responses to this NOFA must be submitted through the City’s solicitation posting system Biddingo. Applicants must register their organizations in Biddingo to access the NOFA at <https://www.biddingo.com/sanjose>. See Section 7 - Application Process for additional information.

6.1 Application Form

This NOFA is administered under a competitive process. Therefore, the Application Form must be complete to its fullest. As part of the application, the documents listed below must be submitted through Biddingo. These documents will be reviewed in detail at the mandatory pre-application conference.

6.2 Project Summary

Provide a concise narrative of the proposal for developing the proposed site, including the overall unit size and count, affordability level, uses, breakdown by income category, resident and community amenities, general layout, and a summarized financing and services plan. (One page maximum.)

6.3 Technical Capacity and Experience

To demonstrate technical capacity and experience to successfully undertake the proposed project, provide:

- Project Development Team organization chart including:
 - Each organization’s name
 - Names of organization’s Director or equivalent position
 - Primary contact persons’ names, phone numbers and email addresses
 - Name, phone numbers and email addresses for each of the following:
 - ❖ Lead Developer and Co-Developer
 - ❖ Development Consultant (if applicable)
 - ❖ Property Manager
 - ❖ Resident Service Provider
 - ❖ Supportive Services Provider(s)
- Provide a concise narrative to summarize the organizational structure of the Applicant, including the roles of the Developer, Co-Developer (if applicable), the Development

Consultant, and other team members relevant to the proposed project. (One page maximum.)

- Provide a concise narrative to summarize key staff qualifications and relevant experience. (One-page maximum)
- Provide a matrix of minimum of three (3) qualified projects as defined in Section 9 – Definitions.

6.4 Applicants Background Information

Provide copies of the following for the Lead Developer, and Co-Developer if applicable.

- Certificates of Good Standing
- Evidence of 501 (c) (3) status
- Previous 2 year’s audited financial statements, including all Schedules and Management Letter as approved and signed by the Applicant or CPA certified. Applicants shall submit the status of the correction of any identified Findings or Concerns. Partnerships shall include for the General Partner
- Borrower’s organizational chart

6.5 Property Management and Operations Plan

Provide a concise narrative on the qualifications and experience of the property management staff or Applicant’s property management agent (two-page maximum), including:

- Matrix identifying a minimum of 5 qualifying properties currently managed, including property address and number of units by category (e.g., ELI, VLI, LI, market rate)
- A description of Resident Services for non-PSH or TIP/RRH populations
- Draft Property Management Plan, including security plan and on-site management, and tenant selection criteria
- Properties with 30% or more PSH units must provide 24/7 staffing coverage as outlined in the Underwriting Manual, Section 14.5.

See Underwriting Manual, Section 14 -Property Management for more details.

6.6 Supportive Service Plan and Operating Budget

Projects designed to include Supportive Housing units shall include a Supportive Housing Plan in compliance with Section 11 – Supportive Housing Policy. The Supportive Service Plan shall clearly and specifically detail the support services that will be provided or made available to PSH and TIP/RRH residents.

The Service Plan shall include access to on-site or off-site services that are flexible, voluntary and individualized to assist an individual or family retain their housing, improve their health status, and maximize their ability to live, and, when possible, work in the community. Provide details on at least one qualifying project with the proposed target population.

Describe how the Plan will:

- Decrease barriers to entry into housing
- Ensure housing retention
- Address the increased wear and tear on the physical asset that may be associated with Supportive Housing
- Maintain high levels of communication with stakeholders including neighbors, law enforcement, regulatory agencies, and funders

Provide a concise narrative of the qualifications and experience of the Supportive Service Provider. (Two-page maximum.)

Supportive Services Budget

The provision of supportive services is a core component of Supportive Housing. The City expects that the funding for these services will be paid by a separate source other than project income. Provide Support Services Operating Budget that identifies sources and uses, and terms of the funding agreement.

- If providing PSH units, include in the budget the costs to implement the food access plan as outlined in Section 4.5.
- Provide a memorandum of understanding with the Supportive Service Provider or Letter of Intent.
- For 100% PSH projects, provide evidence that the supportive service provider is on the Santa Clara County Office of Supportive Housing list of approved providers.

6.7 Food Access Plan

Provide a maximum 1- page narrative to address how the project will address food insecurity for the residents. See section 3.6 & 5.6 and Attachment D. Projects that are unable to meet the minimum standards must propose written alternatives in the narrative.

6.8 Project Development and Readiness

- Provide a maximum 4-page narrative that describes the following:
 - How the project will be ready to apply for the Applicant selected CTCAC round within 24 months of the application.
 - The community amenities easy access plan, including the type of amenity and distance from the project site.
 - How the building will address the space requirements to meet the needs of the PSH and TIP/RRH populations, including for on-site management, provision of supportive services and food access.
- Demonstrate:
 - The level of site control as described in Section 4.6, including the chain of contracted transactions.
 - That the project is in a Growth Area as detailed in Section 4.9. Provide a project-specific location map and census tract.
- Provide:
 - A Project Milestone Schedule, indicating which, if any milestones have been achieved.
 - Property photos that coincide with the property description. No more than 4 photos.
 - Phase 1 Environmental Assessment. If environmental conditions are listed, submit Phase 2 detailing the required remediation.
 - Matrix with properties currently managed, including property address and number of units by category (e.g., ELI, VLI, LI, market rate).

6.9 Financing Structure

Through the application process, applicants must complete and submit a Development Proforma with Sources and Uses demonstrating project feasibility and financing plan

validating the Developer's financing strategy.

Proposed projects must demonstrate financial feasibility for both development and operations.

Applicant must submit a description of the overall financing plan for the including:

- 55- year project financial feasibility proforma, including:
 - Construction and Permanent Funding Sources
 - Uses including reserves and developer fee (both paid and deferred)
 - Rent Schedule (including rental subsidies, if applicable)
 - Tax Credit calculations assumptions (both 4% and 9%)
 - The cost of any required remediation, such as environmental issues/concerns
- 20-year cash flow (including commercial revenue, if applicable)
- 1-year operating budget
- Commercial space financing plan

Applicant must demonstrate that the project is feasible under the 4% or 9% Low Income Housing Tax Credit program. Applicants will be required to submit applications for 4%, 9% or hybrid TCAC executions, if selected during this funding round.

6.9 Leveraging

Provide a matrix of all non-City sources of predevelopment, construction and permanent funding sources including:

- Loan Terms
- Interest Rates
- Fees
- Repayment Requirements

Provide a brief narrative of the leveraging plan and highlight any innovative financing approaches intended to minimize the City's projected gap financing.

6.10 Cost Effectiveness

Proposals will be rated on overall unit development cost, based on unit type. Provide justification for unit development costs that exceed 15% above the median development costs as outlined in Attachment D – Average Cost Per Unit by Type for similar projects.

Provide a brief narrative describing how the construction will be consistent with building requirements, while applying innovative methods and materials designed to reduce development and construction cost without compromising the overall quality of the development.

6.11 Preliminary Title Report

Applicants must submit a preliminary title report (no older than three months from the application date) to demonstrate a connection to the submitted site control document and to ensure that the subject parcels are not encumbered with liens, delinquent taxes, trust deeds, and/or utility easements that would prohibit the execution of the proposed project.

6.12 Purchase Price

Provide evidence of the proposed site purchase price for the land. The price must be reasonable in comparison to other sites in the area and a comparison to other affordable housing sites throughout the County. Prior to any disbursement of funds for acquisition, an appraisal supportive of the acquisition cost will be required.

6.13 Property Valuation

Applicant must submit evidence of property value evidenced by either a) recent appraisal, or b) property valuation analysis utilizing comparable property sales. Prior to closing any City loan, the City may commission its own appraisal to confirm property value.

6.14 General Plan Land Use Designation/Zoning

Applicant must submit; a) evidence that the proposed project is currently permitted under the General Plan and Zoning at the time of the proposed submission, or b) a brief narrative as to how the project proposes to obtain any needed approvals from the Planning Commission and/or City Council with a timeline.

6.15 Community Engagement Plan

Applicants are required to develop and implement a Community Engagement Plan. Provide a Community Engagement Plan that will demonstrate the potential levels of engagement.

The Plan should include, but not limited to:

- Identify communities with diverse cultural and linguistic needs in the Project Growth Area neighborhood;
- Develop culturally and linguistically relevant communication materials reflective of this community;
- Engage with the proposed community, its residents, and surrounding businesses that may be affected by the proposed development to adequately address their concerns.
- Develop Method of tracking the engagement progress to report and refine engagement strategies as needed.

7. APPLICATION PROCESS

7.1 How to Obtain This Notice of Funding Availability (NOFA)

The City will post the NOFA application to the City Website : <https://www.sanjoseca.gov/your-government/department-directory/housing/developers/notice-of-funding-availability>

The City will receive electronic responses to the NOFA through the City's solicitation posting system Biddingo at <https://www.biddingo.com/sanjose>.

Proposers must register with Biddingo prior to submitting the NOFA. If you have a problem registering online, contact Biddingo directly toll-free at (800) 208-1290 or by email at info@biddingo.com.

Registering to receive City of San José solicitations is FREE and can be done in 3 easy steps:

- **Step 1: Create Profile.** Sign up with Biddingo at <https://www.biddingo.com/sanjose>.
- **Step 2: Select Categories.** Identify and select your commodities/categories. You will receive notifications only for solicitations related to the commodities you select.
- **Step 3: Vendor Form.** Provide your email address, a password, address, license, vendor preference, business tax, and other pertinent profile information. Your email address will be your User ID in the Biddingo system.
- **Step 4: Verification.** Confirm that your information is correct and submit Registration Form. Note that you may update your information at any time in the Biddingo system by

clicking on the Vendor Registration / Update option from the Welcome page, making updates, and then resubmitting the registration form.

All addenda and notices related to this procurement will be posted by the City on Biddingo. In the event that this NOFA is obtained through any means other than Biddingo, the City will not be responsible for the completeness, accuracy, or timeliness of the final NOFA document obtained from the other source.

7.2 Application Process and Initial Review

The NOFA will be available on the City Website beginning Monday, December 20, 2021 at **3:00 PM PST**. To respond to the NOFA Applicants must register at <https://www.biddingo.com/sanjose>. Applications are due on Wednesday, February 9, 2022 before 11:59 PM.

Upon receipt of the applications, staff will conduct an initial review to determine whether the project is eligible and that the application is complete. The Applicant will be notified through electronic mail if the initial review determines the application is either ineligible, incomplete, or complete.

Application Completeness Notices and/or Requests for Clarification will be sent to Applicants via electronic email on or before Friday, February 11, 2022, as deemed necessary. Responses to Requests for Clarification will be due by Wednesday, February 16, 2022 via electronic mail. Late submissions may disqualify the application.

7.3 Submission Format-Electronic Application Submittal

Applications and all required additional documentation must be submitted through Biddingo. All applications must be submitted and received electronically through Biddingo no later than the submittal deadline stated on Biddingo or in any ensuing addendum. Applicants may submit any number of applications for consideration under this NOFA (joint applications with another developer/owner count as an application for each entity). **Applicants may not submit additional materials after the submittal deadline unless requested by CSJHD staff. Incomplete applications will not be considered.**

7.4 Pre-application Conference

Applicants and service providers are encouraged to attend the pre-submission conference on **Wednesday, January 19, 2022 at 10:30am**. The details of the pre-application conference will be published on the City Website: <https://www.sanjoseca.gov/your-government/department-directory/housing/developers/notice-of-funding-availability>

The purpose of this conference is to assist prospective applicants to gain a full understanding of the solicitation requirements and service options. At the conference, CSJHD staff will conduct a brief overview of the solicitation requirements, including any documents. All questions and answers will be summarized and published as addenda on Biddingo. Attendees are encouraged to have a copy of the solicitation documents available for reference.

7.5 Application Due Date

All responses to this NOFA must be submitted through Biddingo and are due **Wednesday, February 9, 2022 before 11:59 pm PST**. Applications submitted after the deadline indicated above will not be accepted. Late applications will not be accepted.

7.6 Important Dates

EVENT	DATE
NOFA Released	December 20, 2021
Pre-Submission Conference (Optional) – 10:30 AM	January 19, 2022
Deadline for Submission of Questions – 3PM	January 26, 2022
Answers to Submitted Questions Posted – 3PM	February 1, 2022
Deadline for Applications to be Considered – 11:59PM	February 9, 2022
Publish Award Recommendations	March 8, 2022
Deadline to Submit an Appeal – 3PM	March 18, 2022
Notification of NOFA Awards	March 23, 2022

7.7 Evaluation Panel

All responses to this NOFA will be reviewed by City staff to ensure that each application contains all the information and documents required to verify that the application is complete and appropriate for Panel review.

An Evaluation Panel (“Panel”) designated by the City of San José’s Housing Department will evaluate staff recommendations on:

- a) Proposed project is appropriately addressing the identified priorities and needs;
- b) Proposed project complies with existing state, county and city laws, ordinances, regulations, and policies;
- c) Project Sponsor has the technical expertise and financial capacity to complete the proposed project;
- d) Feasibility of timely implementation of the project including meeting environmental review requirements; and
- e) Cost estimates appear to be reasonable and accurate.
- f) Support Services Plan appropriately meets the needs of the targeted population.
- g) Community Engagement.

7.8 Bonus Categories

Proposals including Bonus Categories will be reviewed and evaluated as outlined above. All eligible responses will be scored and ranked based on the above criteria.

8. POST SELECTION PROCESS

8.1 Selection Notice

Applicants selected will be notified via electronic mail. Projects selected will receive a Notice of Intent to Fund, which will outline the requirements for funding including the project underwriting, features and timing as submitted and represented under the application.

8.2 City Council Project Approval and Funding Allocation

The Housing Department will submit the proposed Project selections to the City Council for approval. Awardees will be notified of City Council determination via electronic mail.

8.3 Project Progress

The Awardees shall agree to provide bi-annual updates on the progress of the project to designated Housing Department staff on a format and timing schedule designated by the City. In the event the project is unable to maintain the required progress timeline in the conditional commitment letter, the award will expire December 31, 2021.

8.4 Entitlement and Environmental Clearance

The project's entitlements and CEQA clearance must be obtained for the project prior to CTCAC/CDLAC application for the round selected by the applicant. Upon completion of the entitlement process and receipt of environmental clearance, the City will begin the process to complete a term sheet and bring the project to City Council for final approval and commitment to fund.

9. DEFINITIONS

Affordable Unit:

Units restricted to no more than affordable rent for lower income households as provided in California Health and Safety code 50053.

Disabling Condition:

- A physical, mental, or emotional impairment including a diagnosable substance use disorder, serious mental illness, post-traumatic stress disorder, cognitive impairment resulting from brain injury or chronic physical illness or disability, which:
 - Is expected to be of long-continued and indefinite duration;
 - Substantially impedes an individual's ability to live independently; and
 - Is of such a nature that more suitable housing conditions could improve such ability.
- A developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.
- The disease of acquired immunodeficiency syndrome or any conditions arising for the etiological agency for acquired immunodeficiency syndrome (HIV/AIDS).

ELI Tenants:

Extremely Low-Income tenants earning up to 30% of the Area Median Income in Santa Clara County.

Homeless:

(HUD Definition at 24 CFR 578.3): Includes but is not limited to:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. An individual or family with a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; including a car, park, abandoned building, bus or train station, airport, or camping ground; or
 - b. An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - c. An individual who is existing an institution where he or she resided for 90 days or less, and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
2. An individual or family who will imminently lose their primary nighttime residence (see the above definition for “At Imminent Risk of Homelessness”).
3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless, but who:
 - a. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act ((42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - b. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
 - c. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - d. Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.
4. Any individual or family who:
 - a. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has

either taken place within the individuals or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

- b. Has no other residence; and
- c. Lacks the resources or support networks, such as family, friends, and faith-based or other social networks to obtain other permanent housing.

Notice of Intent:

Subject to City Council approval, a letter provided to the Applicant to demonstrate the City's preliminary support of the proposal based on the information submitted in the proposal, meeting threshold requirements and the project scoring.

"OSH":

Santa Clara County Office of Supportive Housing

Permanent Supportive Housing (PSH):

A housing program that provides permanent affordable housing and supportive services to individuals (and their families) who have disabling conditions.

Qualifying Projects:

- Affordable Housing Developments
 - Restricted affordable rental housing development that include a minimum of 40 units
 - Multifamily developments with 30+ units where a minimum of 20% of the units were reserved and operated as permanent supportive housing
- Property Management
 - Project with 10+ units
 - Subject to regulatory agreements for 2 years prior to the application
 - Subject to satisfactory review by a local government funder
- Supportive Services
 - Demonstrated provision of a comprehensive service component to help stabilize targeted population
 - For PSH projects, the provider must be on the Santa Clara County Office of Supportive Housing's approved service providers list
 - Subject to satisfactory review by support services funders

Transition-in-Place/Rapid Re-Housing (TIP/RRH):

Housing programs intended for individuals and families who have experienced a brief period of homelessness and may require a level supportive services that are substantially less than those of occupants of PSH units.

10. EXHIBITS AND ATTACHMENTS

10.1 Exhibits

- Exhibit A – Application Checklist and Application Form
- Exhibit B – Multifamily Underwriting Guidelines

10.2 Attachments

- Attachment A – City Affordable Housing Funding Sources
- Attachment B – Affordable Housing Investment Priorities
- Attachment C – CSJ 2021 Rent and Income Limits
- Attachment D -- Housing Site Needs to Support Onsite Food Assistance Programming
- Attachment E – Planning Childcare Facilities in New Developments in San José