



San Mateo County Homekey 3.0 RFP

TA Session

March 13, 2023

11 AM




Introductions



- DOH Staff
 - Babs Deffenderfer
 - Jan Stokley
- Attendees



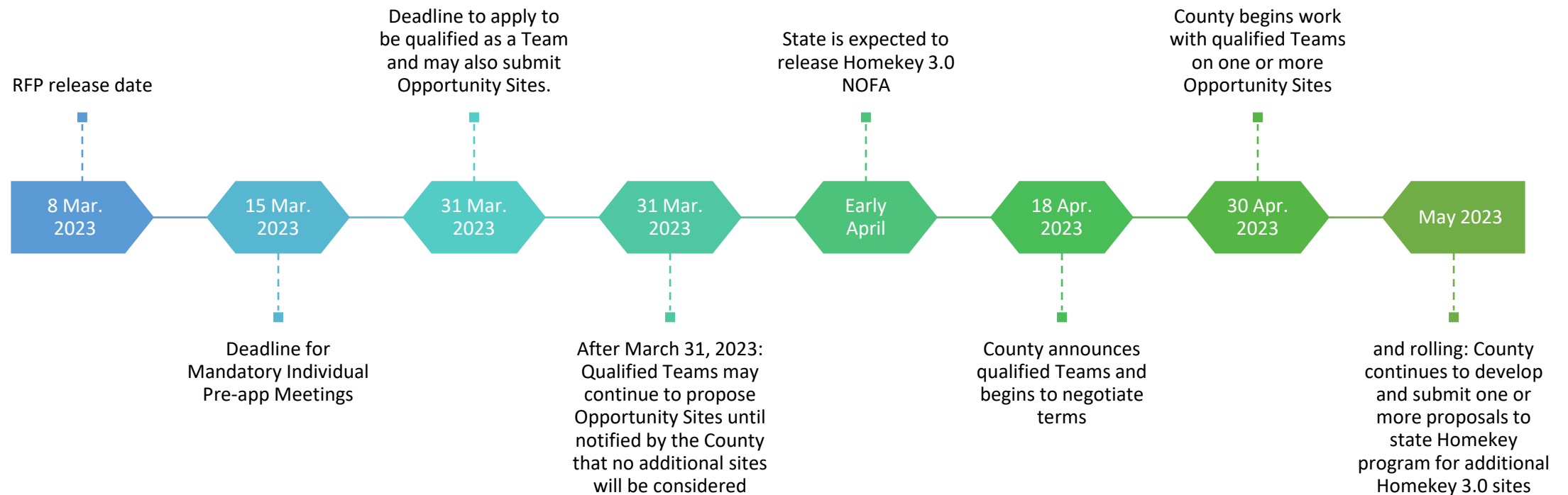
RFP Goals




Develop a robust pipeline of new permanent supportive housing for people experiencing homelessness or at risk of homelessness by:

- **Qualifying one or more Teams** to support San Mateo County's response to the state Homekey 3.0 NOFA (expected early April)
- **Identifying new Homekey Opportunity Sites** for review and consideration by County
 - Not required but encouraged
 - Teams may continue to propose additional sites after March 31, 2023 RFP deadline but only if Team is qualified

Expected Timeline






Homekey Basics (based on Homekey 2.0)

Eligible uses are expected to include:

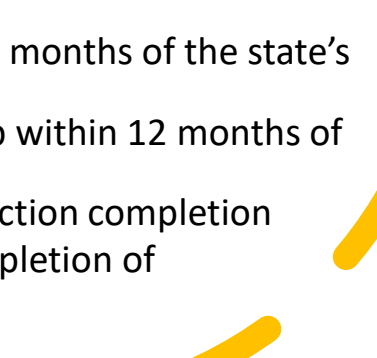
- **Acquisition with or without rehabilitation** of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to housing.
- Master leasing of properties for non-congregate housing (NA in San Mateo County).
- Conversion of units from nonresidential to residential.
- **New construction** of dwelling units.
- **Purchase of affordability covenants** and restrictions for units.
- Relocation costs for individuals who are being displaced as a result of the Homekey project.
- Capitalized operating subsidies for Homekey units purchased, converted, constructed, or altered.

NOTE: The County's HK experience is with acquiring and renovating hotels/motels and new construction using modular assembly, but we encourage proposals using other HK strategies.





Homekey Basics (based on Homekey 2.0)

- **Early response to HCD NOFA is key**
 - Significant competition for Bay Area allocation
 - Consider set-aside for Homeless Youth
 - Response requires **site control, appraisal and PNA** as well as BOS resolution and many supporting docs
 - County plans to meet **conditions for competitive points** including
 - Additional ADA units (TCAC instead of building code)
 - Chronically Homeless or Homeless Youth (at least 25% of HK units)
 - **State Homekey Awards are limited in amount**
 - Capital funds of \$150,000/door (or \$175,000 or \$200,000/door for certain unit sizes and populations)
 - Up to an additional \$100,000/door Homekey capital match available for \$100,000/door of County matching capital funds
 - Capitalized operating subsidy award for up to three years in the amount of \$1,000/door/month or \$1400/door/month depending on population served if the County pledges to cover the balance needed to operate the property for up to four years
 - Bonuses available for early application and expedited occupancy, but the County does not expect to qualify for those bonuses.
 - **Aggressive performance schedule is required**
 - Homekey capital funds must be fully expended within 8 months of the state's Homekey award date.
 - Homekey projects must complete construction or rehab within 12 months of the state's Homekey award date.
 - Occupancy must be complete within 90 days of construction completion
 - Full occupancy must be achieved within 90 days of completion of construction.
 - Expect a CEQA exemption (similar to HK 2)
- 



Expected Roles of County and Teams

Site Investigation

- **County** will investigate feasibility of County-identified sites until Team's responsibilities and compensation are negotiated for work on a specific site
- **Teams** are encouraged to identify and investigate other possible sites for County review


Matching Funds

- **County** will identify and pledge required matching funds for capital and operating subject to BOS approval of the amount and terms of County matching funds awarded to a project
- **Teams** may propose how to use state funds and County matching funds most efficiently, subject to County approval

Submission of State Homekey 3.0 application

- **County** will act as applicant for state Homekey 3.0 funding and designated HCD contact
- **Teams** will either
 - Help the County develop application materials for specific Homekey Opportunity Sites (construction management, property management, supportive services) or
 - Serve as a co-applicant with the County depending on timing and project specifics

Post-Award Roles

- **County** will negotiate Standard Agreement with HCD, manage the Team, receive funds from and report to HCD, and structure terms of matching funds awarded to a project.
 - **Teams** will carry out negotiated responsibilities for construction management, property management and supportive services for agreed compensation
- 



County RFP: Team Threshold Qualifications

- Experience and capacity in development, property management, and specialized supportive services (3 years/3 projects):
 - Permanent Supportive Housing for target population
 - Track record of successfully implementing Housing First principles
- A coordinated response led by immediately available, qualified personnel, reflected in an MOU.
- Organizational Good Standing (very detailed list of required attachments).
- Fully completed Part A application.

REFER TO RFP AND APPLICATION PART A FOR DETAILS





County RFP: Competitive Scoring of Teams that Met Threshold

- Up to 10 points—Team has prior history of collaboration.
- Up to 20 points—One or more Team members have Homekey track record.
- Up to 10 points—Both PM and Service Provider have Coordinated Entry experience.
- Up to 15 points—Developer has experience converting non-multi-family housing properties to multi-family housing
- Up to 20 points—Developer has experience using federal housing finance programs
- Up to 25 points—Submit Part B (Opportunity Site)

REFER TO RFP AND APPLICATION PART A FOR DETAILS





County RFP: Threshold Requirements for Opportunity Sites

- **Location**
 - PSH is needed in all parts of County
 - Convenient to shopping, services, transit
- **Physical Condition**
 - When renovated--Unit size and kitchen/kitchenette
 - When renovated, ADA accessibility
 - Basic documentation to help estimate rehab costs
 - Many other limitations on physical condition
 - Informed by the County's experience meeting the aggressive HK timeline with limited budget
- **Financial Feasibility and Readiness**
 - TDC/unit not to exceed \$500K (exclude COSR)
 - Able to meet aggressive schedule (site control not required for threshold)
- **Population Served**
 - At least 51% homeless
 - Income and rent tied to 30 % AMI
- **Fully completed Part B application** (includes Property Profile, development plan, sources and uses, and more)

REFER TO RFP AND APPLICATION PART B FOR DETAILS



County RFP: Competitive Scoring of Opportunity Sites that Met Threshold

- Up to 15 points—**Location**
 - High Resource Area
 - Within ½ mile of transit, shopping, services
- Up to 30 points—**Physical Condition**
 - As built plans & drawings, more extensive documentation of existing conditions
 - Existing conditions meet more requirements
 - Rehab is less than 10% of TDC (exclude COSR)
 - And more
- Up to 35 points—**Financial Feasibility and Readiness**
 - Already has site control
 - TDC will not exceed \$400K/unit (not including COSR)
 - Able to use one or more federal financing sources
 - And More
- Up to 20 points—**Population Served and Income/Rent**
 - At least 51% homeless and either 25% Chronically Homeless or Homeless Youth
 - Use COSR or rent subsidies to target lower than 30% AMI or limit rent to 30% of actual household income

REFER TO RFP AND APPLICATION PART B FOR DETAILS





Next Steps

- Schedule an individual pre-app meeting by emailing a request to bdeffenderfer@smchousing.org
 - Submit Questions
 - Apply by March 31, 2023 deadline using Part A Application (and Part B if applicable)
 - Continue to investigate feasible sites
 - Watch for release of state Homekey NOFA
 - Expect to be notified by April 18
- 