County of San Mateo
Department of Housing

NOTICE OF FUNDING AVAILABILITY (NOFA)

AFFORDABLE HOUSING FUND 11.0

Applications Due by 4:00 pm Pacific Daylight Time

Friday, June 2, 2023

This NOFA is available online at https://www.smcgov.org/housing/nofas-bids-proposals

Applications must be submitted online through City Data Services: www.citydataservices.net

Login for new users: AHF2023 for ID & Password

Questions regarding the content of the online application or NOFA content must be emailed to hcd@smchousing.org.

For technical assistance with completing the online application, contact Steve Crounse citydataservices@yahoo.com or (650) 533-5933

The County of San Mateo does not discriminate based on race, color, religion, creed, national origin, sex, disability, age, sexual orientation or any other protected status. Auxiliary aids and services to assist with this NOFA are available on request as a reasonable accommodation for a disability.

Released May 4, 2023

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1. INTRODUCTION

This Notice of Funding Availability ("AHF 11 NOFA)" invites applications for low-interest, long-term, deferred-payment loans from the eleventh cycle of the San Mateo County Affordable Housing Fund (AHF). AHF was created in 2013 by the San Mateo County Board of Supervisors to develop and preserve affordable housing. Capitalized with Measure K sales tax proceeds and other local, state and federal housing finance sources, AHF in its first ten cycles awarded more than $230 million in loans to more than 60 affordable housing projects, creating or preserving more than 4,500 affordable units.

The AHF 11 NOFA makes available certain local and federal housing finance funds subject to the NOFA terms and conditions, additional program-specific requirements summarized in Appendix B, and loan terms and underwriting policies summarized in Appendix D:

Table 1 Summary of Funding Included in AHF 11 NOFA

Source	**Amount**
Measure K (local)	$20,200,000
Community Development Block Grant (CDBG) (federal)	$1,136,870
HOME Investment Partnership Program (HOME) (federal)	$2,592,208
HOME American Rescue Plan (HOME-ARP) (federal)	$4,403,212
RDA Housing Trust Fund (expected up to estimated amount)	$2,200,000
Total Amount Available for AHF 11 NOFA Awards	**$30,532,290**

The AHF 11 NOFA does *not* solicit requests for Project-Based Section 8 Vouchers from the Housing Authority of the County of San Mateo (HACSM). An application should not rely on or anticipate an award of Project-Based Section 8 Vouchers for a Project unless supported by an existing HACSM award letter.

The AHF 11 NOFA is managed by the Housing and Community Development (HCD) division of the San Mateo County Department of Housing (DOH). DOH administers federal, state, and local housing funds and promotes partnerships that catalyze community capacity to address housing needs. As described in Section II, HCD staff will assess whether an application meets Threshold Requirements, competitively score and rank Projects that meet Threshold Requirements, and recommend each Project's award amounts, if any, and funding sources, to the San Mateo County Housing and Community Development Committee (HCDC). HCDC will make recommendations to the San Mateo County Board of Supervisors whose award decisions are final.

The AHF 11 NOFA furthers the six overarching goals of San Mateo County's 2023-2031 Housing Element available at https://www.smcgov.org/planning/san-mateo-county-housing-element-update-2023-2031, including to:

- Protect Existing Affordable Housing Stock
- Support New Housing for Extremely Low to Moderate-Income Households
- Promote Sustainable Communities through Regional Coordination Efforts and Locating Housing Near Employment, Transportation, and Services
- Promote Equal Housing Opportunities

- Promote Equity through Housing Policy and Investments
- Require or Encourage Energy Efficiency, Resource Conservation, and Climate Resiliency Design in New and Existing Housing

The AHF 11 NOFA also furthers the County's Strategic Plan on Homelessness available at https://www.smcgov.org/hsa/center-homelessness, including the goal to increase the supply of permanent affordable housing for people experiencing homelessness and other vulnerable people.

The AHF 11 NOFA relies on defined terms set forth in Appendix A and incorporates important information included in other Appendices. Applicants are expected to review and comply with the terms and conditions of this NOFA, including all Appendices. The Applicant and each member of the Applicant Team are bound by the Agreements, Acknowledgements, and Certifications set forth in Section VII below, including but not limited to, acknowledging that all application materials become the property of the County of San Mateo and are subject to public disclosure under the Public Records Act.

DOH has the right after releasing this NOFA to re-allocate or withdraw funds in its sole discretion.

II. APPLICATION PROCESS

A. Timeline. As of the AHF 11 NOFA Release Date, DOH plans to follow the schedule set forth below, but an Applicant is expected to monitor the DOH website for any subsequent schedule changes:

Table 2 AHF 11 NOFA Timeline

Event	**Date**
Release Date	May 4, 2023
Technical Assistance (TA) Session	May 11, 2023 at 1 pm PDT
Deadline for required pre-application meeting	May 12, 2023 by 4 pm PDT
Last Day to Submit Questions to DOH	May 25, 2023 by 4 pm PDT
Application Deadline	**June 2, 2023 by 4 pm PDT**
Notice to Applicant that application did not meet Threshold	June 16, 2023
Deadline to Appeal Finding that application did not meet Threshold	June 23, 2023 by 4 pm PDT
Study Session—Housing & Community Development Committee	July 18, 2023
Public Hearing--Housing & Community Development Committee	July 25, 2023
Public Hearing—Board of Supervisors	**August 1, 2023**
Award Letter Date (expected)	August 4, 2023

B. Pre-Application Meeting. Before responding to this NOFA, an Applicant is *required* to schedule and attend a short pre-application meeting to introduce their Project to HCD staff. A pre-application meeting may be requested by sending an email to bdeffenderfer@smchousing.org. The individual pre-application meeting must take place by May 12, 2023 at 4 pm Pacific Daylight Time. The Applicant must disclose at the pre-application meeting whether the Project results from an inclusionary housing ordinance and how an award of AHF 11 NOFA funds would enable the Project to exceed the minimum affordability requirements of the inclusionary housing ordinance.

C. Online Submission. All sections of the application must be completed using the online application at the City Data Services (CDS) website, www.citydataservices.net, and all required attachments must be uploaded by the Application Deadline. The AHF 11 NOFA application will be listed on the CDS website under "Applications," and the login for new applicants is AHF2023 for both ID and password. If an Applicant encounters technical difficulties in using CDS, it is the Applicant's responsibility to contact CDS by email to citydataservices@yahoo.com or by telephone ((650) 533-5933). For the Applicant's convenience, a PDF form of the application and a checklist of required attachments are attached as appendices to this NOFA, but DOH will only accept online submissions. Revisions, corrections or clarifying information that are material to the submitted application and attachments will not be accepted after the Application Deadline.

D. Virtual Technical Assistance Session. Applicants are invited to attend a virtual Technical Assistance (TA) session on May 11, 2023 at 1 pm. HCD staff will review the contents of the AHF 11 NOFA, and CDS staff will provide instruction in the use of the CDS online application tool. Because applications may only be submitted through CDS, first-time users of CDS are strongly encouraged to attend the TA session using the following Zoom link:

https://smcgov.zoom.us/j/96804531629?pwd=ZWwydVpJamU1T1pQdXVsZFh2a2pydz09
Meeting ID: 968 0453 1629
Passcode: 296191

E. Submitting Questions. Applicants may submit written questions about the NOFA content until 4 pm on May 25, 2023, by sending an email to hcd@smchousing.org. Submitted questions and DOH answers will be posted periodically on the DOH website, https://www.smcgov.org/housing/nofas-bids-proposals Applicants may ask CDS for assistance with the submission of the online application at any time up to the Application Deadline.

F. Staff Review of Threshold Requirements. Upon receipt of an application in response to the AHF 11 NOFA by the Application Deadline, HCD staff will review the application and uploaded materials for completeness and to assess whether all Threshold Requirements set forth in Section IV below were satisfied. During the review of Threshold Requirements, DOH staff may contact Applicants to clarify information provided in the application or application attachments. An Applicant will be notified by email on June 16, 2023, if the application was incomplete, was for an ineligible type of Project, or did not meet a Threshold Requirement.

G. Appealing a Determination that Threshold Requirements Were Not Met. The Applicant may appeal the determination that an application was incomplete, was not for an Eligible Project type, or did not meet a Threshold Requirement by correcting, explaining or supplementing any relevant application materials in writing by email to bdeffenderfer@smchousing.org not later than 4 pm Pacific Daylight Time on June 23, 2023. This appeal is the only mechanism by which an Applicant may make a material change to an application after the Application Deadline. An Applicant will be notified of the outcome of the appeal not later than June 30, 2023. If the appeal is successful, the application will be competitively ranked with other applications, using the scoring criteria set forth in Section V below. If the appeal does not successfully address the specific negative findings from the initial staff review, the Applicant will be notified not later than June 30, 2023, and the application will be terminated with no further appeal.

H. Competitive Scoring of Applications that Meet Threshold Requirements. HCD staff will rank applications that met Threshold Requirements using the competitive scoring rubric set forth in Section V below. Staff recommendations may include a recommendation for no funding, a different funding amount or source than that requested by the Applicant, or Project-specific award conditions, which, if not met, may subsequently result in termination of an AHF 11 award to a Project.

I. HCDC Review and Recommendations. On July 18, 2023, HCD staff recommendations will be considered at a public study session of the San Mateo County Housing and Community Development Committee (HCDC). Applicants may attend the HCDC study session but will not have an opportunity to comment. On July 25, 2023, HCDC will convene a public hearing to finalize AHF 11 NOFA award recommendations to be submitted to the Board of Supervisors. Applicants are required to attend the HCDC public hearing, make two-minute comments about their Project, and respond to questions from HCDC members. Applicants should comment on their own application, not on other applications.

K. Board of Supervisors Public Hearing. HCDC's AHF 11 award recommendations will be considered by the San Mateo County Board of Supervisors at a public hearing expected on August 1, 2023. An applicant may comment on the HCDC recommendation during the public comment period or by submitting written comments to the Board of Supervisors prior to the meeting. The Board of Supervisors will adopt a final list of Projects to receive AHF 11 funding and each Project's award amount.

L. Award Letters. The Board of Supervisors' authorization will be the basis for DOH to prepare an AHF 11 NOFA award letter ("Award Letter") expected to be sent by August 4, 2023 ("Award Letter Date"). An Award Letter may impose Project-specific conditions, which, if not timely satisfied, may result in termination of the Award Letter. An Award Letter will be the basis for a Loan Agreement, Regulatory Agreement and other loan documents between DOH and the Borrower to whom the AHF 11 award has been assigned with the consent of DOH, as described in Appendix D.

III. AVAILABLE FUNDING FOR ELIGIBLE PROJECTS

A. Types of Eligible Projects. This AHF 11 NOFA solicits proposals only for permanent affordable multi-family housing projects, which includes new manufactured housing projects with at least 20 rental or first-time home ownership Units. Applications will not be accepted under this NOFA to develop transitional housing, other time-limited housing, nursing homes or other community care facilities, student housing, shared housing, or congregate or non-congregate shelters.

Only the following three types of permanent affordable multi-family housing ("Eligible Project types") qualify for funding under the AHF 11 NOFA:

- New Construction Rental (NCR),
- Re-syndication of an Existing Low-Income Housing Tax Credit (LIHTC) Property with Rehabilitation for Rental (RRR), and
- New Construction First-Time Home Ownership (FTHO).

Further description of each Eligible Project type is included in the definitions in Appendix A. An Eligible Project must be supported by a complete application submitted by the Application Deadline; is subject to Threshold Requirements described in Section IV below; and will be ranked for funding using the competitive scoring rubric described in Section V below. Some specific modifications in the application form, the Threshold Requirements and the competitive scoring rubric are provided in order to address underlying differences in the three Eligible Project types. In addition, there are some limitations on the source and amount of funding available for specific types of Eligible Projects, as described in Table 3.

B. Available Sources of Funds for Eligible Project types. Each AHF 11 funding source listed in Table 1 is limited in availability to specific types of Eligible Projects as set forth in Table 3.

Table 3 Availability of Funding Sources for Eligible Project Types

Source	Eligible Project Types	Important Restrictions
Measure K	NCR, RRR, FTHO	Different affordability restrictions for rental vs FTHO. 5% homelessness threshold and 15% ELI Threshold for rental. 55-year Regulatory Agreement. Does not trigger federal requirements.
CDBG	NCR, RRR, FTHO	Eligible costs are limited to acquisition and rehabilitation. No costs of construction in the case of NCR or FTHO. Project-level affordability restrictions. Federal requirements apply.
HOME	NCR, RRR, FTHO	Unit-level affordability restrictions apply. Maximum subsidy/unit limits apply. Federal requirements apply. Initial 20-year Regulatory Agreement
HOME-ARP	NCR	Assisted units are for Homeless and 3 other Qualifying Populations. Referrals not limited to CES. Unit-level affordability restrictions. Federal requirements apply. Initial 20-year Regulatory Agreement.
RDA HTF	NCR, RRR	Located in cities with former RDA; Project must include some Supportive Housing Units (can be satisfied by Measure K 5% Homelessness Threshold or another population eligible for Supportive Housing). Does not trigger federal requirements.

For the Applicant's convenience, Table 3 and Appendix B describe some important restrictions that apply to each funding source, but the Applicant must independently review the program guidelines and regulations for each funding source and determine whether a specific funding source is a match for the Project. Some federal requirements are incorporated in all AHF 11 Loan Agreements, even if the source of the funds awarded to a Project is not federal. However, federal sources (CDBG, HOME, HOME-ARP) have additional program restrictions, including but not limited to compliance with the National Environmental Protection Act (NEPA), the Build America Buy America Act and Davis-Bacon wage requirements, that do not apply to awards of local funds. For this reason, applications requesting federal funding sources in lieu of or in addition to local funding sources have a competitive advantage described in Section V below.

C. Measure K Spending Limits for Two Eligible Project Types. The total maximum amount of Measure K funds available for awards to FTHO Projects is One Million Dollars ($1,000,000). The total maximum amount of Measure K funds available for awards to RRR Projects is Two Million Dollars ($2,000,000). When either of these two Measure K spending limits has been reached by an allocation of AHF 11 NOFA Measure K funds to Eligible Projects of that type, no additional Measure K funds will be awarded to Eligible Projects of that type from this AHF 11 NOFA. There is no Measure K spending limit on NCR

Projects, and the entire amount of Measure K funds shown in Table 1 is available to be awarded to NCR Projects. The two Measure K spending limits do not create either a Measure K set-aside or a spending limit on *other* funding sources offered under this NOFA for which the FTHO Project or RRR Project may also qualify, nor are the spending limits reduced by a Measure K award from a prior NOFA or an anticipated Measure K award from a later NOFA. Because FTHO and RRR Projects will be ranked with NCR Projects under the competitive scoring rubric, the two Measure K spending limits may result in denial of an award of Measure K funds to an RRR or FTHO Project that scored higher than a Project of a type for which the Measure K spending limit had not been reached.

D. Minimum Awards per Project or per Unit. The minimum award per Project is One Hundred Thousand Dollars ($100,000.00). Any Project applying for, or determined in DOH's discretion to need, less than this minimum amount is ineligible for an award. There is no Measure K minimum award per Unit. Minimum awards per Project or per Unit may apply because of a specific funding source described in Appendix B.

E. Maximum Awards per Project or per Unit. Subject to any restrictions imposed by specific financing sources described in Appendix B, this AHF 11 NOFA does not impose a maximum amount of funding per Project or per Unit except as set forth below:
(1) The amount of funds available for any individual FTHO Project or RRR Project is subject to the total Measure K spending limits for those types of Projects.
(2) No Project will be awarded more than the amount needed for financial feasibility in DOH's sole discretion, considering the reasonableness of the TDC and the other appropriate and available financing sources proposed for the Project.
(3) Any Project in an incorporated city which does not qualify as a Supportive Housing Project is subject to a maximum award of Measure K funds (counting Measure K funds requested under this NOFA and prior and anticipated future Measure K awards) equal to 15% of the Project's Total Development Costs (TDC). NOTE: This Project maximum does not apply to a Project located in Unincorporated San Mateo County or a Project that qualifies as a Supportive Housing Project and it does not apply to funding sources other than Measure K.
(4) HOME-assisted Units are subject to maximum subsidy limits per Unit adjusted for Unit size as described in Appendix B.

F. Awards of Less than the Amount Requested or Needed. The amount awarded to any Project may be limited by the total funds available under this AHF 11 NOFA compared to the total amount of requests from all Eligible Projects meeting Threshold Requirements. After competitively ranking Projects that met Threshold Requirements, DOH in its sole discretion may award less than the amount requested by an Applicant for any reason even if the AHF 11 award amount would be less than the total amount likely to be needed for the Project's financial feasibility. For example, a reduced award may be appropriate when a Project is unlikely to complete a construction loan closing before the next AHF NOFA and a reduced award of AHF 11 funds would help cover pre-development expenses likely to be incurred before the next AHF NOFA. A Project awarded an amount from this AHF 11 NOFA that is less than the total amount requested or needed for financial feasibility may apply for additional funding in subsequent AHF funding cycles. By awarding only some of the funds needed by a Project from the AHF 11 funds, DOH does not imply or commit that funds will be awarded to the Project in subsequent AHF funding cycles because subsequent funding cycles may include sources and amounts of funds and priorities that differ from the sources and amounts of funds and priorities of this AHF 11 NOFA.

G. Eligible Uses of Funds. Subject to any restrictions imposed by specific funding sources described in Appendix B and the definitions provided in Appendix A and excluding the ineligible uses identified in Section II.H below, eligible uses of AHF 11 NOFA funds include a Project's expenses for:

(1) Pre-development;
(2) Site Acquisition;
(3) Construction;
(4) Re-location;
(5) Capitalized Reserves in approved amounts as described in the Underwriting Policies summarized in Appendix D;
(6) Developer Fees up to the maximum allowed in the Underwriting Policies summarized in Appendix D; and
(7) Permanent Financing.

H. Ineligible Uses of Funds. In addition to any other restrictions that may be imposed by a specific funding source described in Appendix B, the following expenses are **ineligible uses** of AHF 11 funds:

- The Applicant's staffing, overhead and management and general costs except as covered by any allowable Developer, Partnership Management and Asset Management Fees up to the maximum amount allowed for those fees under the Underwriting Guidelines summarized in Appendix D.
- Any portion of otherwise eligible Predevelopment, Site Acquisition, and Construction Costs allocable to any commercial portion of the Project that is not included in the property's eligible basis by CTCAC for purposes of calculating the Low-Income Housing Tax Credit.
- The amount by which a purchase price, ground lease terms, or other in-kind contribution exceeds the fair market value as evidenced by an independent appraisal completed within six months of the application for AHF 11 funding.
- Site Acquisition Costs for an RRR Project.
- Pre-development and construction costs of an NCR Project or FTHO Project funded by CDBG.

I. Reprogrammed Funds. If any of the AHF 11 NOFA funds other than federal funds (CDBG, HOME, or HOME-ARP) remain unawarded or any awarded AHF 11 NOFA funds are recaptured by or returned to DOH, DOH may, in its sole discretion, either distribute those funds through an Over-the-Counter competitive process described in Appendix C or retain the funds and award them in the next AHF NOFA. Any reprogrammed federal funds will be awarded through a different process.

IV. THRESHOLD REQUIREMENTS FOR ELIGIBLE PROJECTS

A. Summary of Threshold Requirements. An Applicant must submit a complete application with all required supporting documents using the CDS online application by the Application Deadline and must request funds for Eligible Uses for an Eligible Project type. The Applicant Team and the Project must meet all Threshold Requirements, allowing for any modifications specified in the accompanying table of modifications intended to account for underlying differences among the types of Eligible Projects. Threshold Requirements, as further described below, impose minimum standards for:

I. Team Capacity
II. Location
III. Affordability

IV. Homelessness Units
V. Site Control
VI. Readiness
VII. Leveraging
VIII. Financial Feasibility
IX. Sustainability
X. Accessibility
XI. Community Benefits and Tenant Protections
XII. Design Quality and Amenities
XIII. Supportive Services
XIV. Community Engagement.

An Applicant submitting an application that is incomplete, is for a Project that is not an Eligible Project type, proposes an ineligible use of funds, or does not meet all Threshold Requirements will be notified of this finding by June 16, 2023. The Applicant will have an opportunity to submit an appeal of this determination not later than June 23, 2023 at 4 pm as described above in Section II.G.

B. Team Capacity Threshold: Each of the following three elements must be satisfied to meet the Threshold Requirement for Team Capacity:

(1) **Bay Area Experience**. The Applicant Team includes a developer, property manager and supportive services provider, each of which has affordable housing experience in the nine-county Bay Area.

(2) **Track Record**. The Applicant Team has a successful affordable housing track record of at least three years of development and ownership; three years of property management; and three years of housing-based supportive services, demonstrated by at least three affordable housing projects (defined as Projects that restrict 100% of the Units to households with incomes up to Low-Income).

(3) **Financial Capacity and Organizational Good Standing**. Each member of the Applicant Team (developer, property management, and supportive services) has a history of compliance with DOH and state housing program requirements, can demonstrate organizational good standing with the California Secretary of State and Franchise Tax Board, can provide audited financial statements showing financial capacity to complete and operate the Project and is not on a federal list of debarred contractors.

Table 4 Modifications of Team Capacity Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
1	FTHO	FTHO affordable housing track record may be demonstrated by FTHO Projects with 100% of the Units limited to Moderate Income. Property Management capacity is not required to be included on a team applying for an FTHO Project. An FTHO Applicant must demonstrate a track record of successful homeownership training and support both before and after homeownership occurs in lieu of other types of housing-based supportive services which may be more appropriate for rental housing.
2	NCR, FTHO	An Emerging Developer as defined in Appendix A may qualify for an exception for Bay Area experience and development track record (but no exception is allowed for property management and supportive services experience and track record).

C. Location Threshold: The Project location must be in San Mateo County and **either in**:

(1) an area identified as **Moderate Resource or higher** in the 2023 CTCAC/HCD Opportunity Map available at https://www.treasurer.ca.gov/ctcac/opportunity.asp, **or**

(2) an area identified as **Low Resource (not High Segregation & Poverty)** in the 2023 CTCAC/HCD Opportunity Map available at https://www.treasurer.ca.gov/ctcac/opportunity.asp, **but only if** the Project is reasonably accessible to public transportation, shopping, medical services, recreation, schools, and employment in relation to the needs of the Project tenants.

D. Affordability Threshold: Any Project assisted by this AHF 11 NOFA must meet both of the following affordability restrictions for a minimum term of 55 years from a Project's completion date as evidenced by a Regulatory Agreement described in Appendix D:

(1)100% of the total Units (excluding the manager's unit) must have income and rent restrictions for households up to Low Income.

(2) At least 15% of the total Units must have income and rent restrictions for households up to Extremely Low-Income. (These Units are in addition to any Units which must be Extremely Low-Income in order to meet the Homelessness Preference Threshold described below).

Income-restricted units must establish rent limits adjusted for unit size which are affordable for that maximum income level, in accordance with U.S Department of Housing and Urban Development (HUD) or California Tax Credit Allocation Committee (CTCAC) income and rent limits, depending on the funding source that restricts the Units. Units not funded by CTCAC or HUD and Units funded both by CTCAC and HUD are subject to the more restrictive of CTCAC or HUD definitions. HUD and CTCAC income and rent limits for San Mateo County are updated periodically on the DOH website at https://www.smcgov.org/housing/income-rent-limits.

The Affordability Threshold Requirements are minimum requirements. As described in Section V below, a Project that exceeds Affordability Threshold Requirements may score higher in competing for limited AHF 11 NOFA funds, but any such Applicant commitment made for purposes of competitive scoring will also be binding for a minimum term of 55 years from the Project's completion date.

Table 5 Modifications of Affordability Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
3	RRR	An RRR Project that is occupied and does not currently meet the Affordability Threshold Requirement must agree to meet these requirements by filling vacant units at the appropriate affordability levels as Units become available. A Unit already occupied by a household at one of the income levels needed to meet the Affordability Threshold Requirement may be included in the Unit count for that income level with DOH's approval.
4	FTHO	An FTHO Project will satisfy the Affordability Threshold Requirement if 100% of Units do not exceed Moderate Income. This replaces the

		Affordability Threshold Requirement for Low-Income and Extremely Low-Income Units.
5	FTHO	In lieu of a 55 year Regulatory Agreement, an FTHO Project will enforce the Affordability Threshold through a recorded restriction on re-sale imposed by the Applicant on the real property acquired by each homeowner for a minimum period of thirty years, using a form of a re-sale restriction agreement approved by DOH.

E. Homelessness Preference Threshold: The greater of 5% of a Project's Low-Income Units or two Units must be subject to a preference for people experiencing Homelessness who are referred with a Tenant-Based Rental Subsidy ("Homelessness Preference"). Units subject to the Homelessness Preference must be income and rent restricted up to the Extremely Low-Income level, must be filled by referrals from the Housing Authority of San Mateo County and must be supported with more intensive supportive services than the Units for the general resident population. Note: Other special needs populations targeted for Supportive Housing Units may contribute to the Project's competitive scoring, but only Units for people experiencing Homelessness will satisfy this Homelessness Preference Threshold Requirement. If the other special needs population is also defined as experiencing homelessness, this population may also be targeted for the Units that are proposed to meet the Homelessness Preference Threshold Requirement.

Table 6 Modification of Homelessness Preference Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
5	RRR	RRR Projects that are occupied and do not currently meet the Threshold Requirement for a Homelessness Preference may meet this requirement by agreeing to fill vacant units as they become available. A Unit currently occupied by a formerly Homeless household may be counted, with DOH approval.
6	FTHO	The Homelessness Preference Threshold Requirement does not apply to FTHO Projects.
7	NCR	HOME-ARP-assisted Units may count towards the 5% Homelessness Preference Threshold even though any HOME-ARP assisted Units must provide a preference for people experiencing Homelessness without excluding the other three qualifying populations and must use a referral method approved by DOH that allows for referrals of all the qualifying populations not served by the Coordinated Entry system. See Appendix B for guidance on HOME-ARP restrictions.

F. Site Control Threshold: The Applicant must provide written evidence of ownership or control over the real property required for the Project in the form of **any one** of the following:

(1) a binding commitment by the owner of the real property to sell, grant, or convey the real property to the Applicant (or enter a lease of the real property for a term not less than 55 years), subject only to conditions that are reasonably within the ability of the Applicant to satisfy and not terminable at the owner's discretion until 180 calendar days after the NOFA Application Deadline;

(2) a recorded deed of the real property identifying the Applicant as grantee;

(3) a recorded long-term lease of the real property (with a remaining term not less than 55 years) identifying the Applicant as lessee; or

(4) a recorded option agreement granting the Applicant the right to acquire or lease the real property (for a lease term not less than 55 years) at an agreed price subject only to objective conditions within the ability of the Applicant to meet, provided the option is for a term not less than 180 calendar days after the NOFA application deadline and is not terminable at the owner's discretion during the term of the option; or

(5) an exclusive right to negotiate (ERN) with a public or quasi-public agency that selected the Applicant to receive the ERN as the result of a competitive process and the agency confirms in writing that the ERN remains in effect.

The evidence of site control must be accompanied by a legal description and preliminary or final title report. If the evidence of site control is not in the organizational name of the Applicant, the Applicant must provide an accompanying narrative to establish how the site control rights are subject to the Applicant's control. Finally, in order to satisfy this Threshold Requirement, any site control documents must specify the same real property cost, square foot area, parcel number, and street address as all other documents required to be submitted with the application, including the development budget, and any discrepancies must be explained to the satisfaction of DOH in an accompanying narrative.

Table 7 Modification of Site Control Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
8	RRR	The only acceptable evidence of site control is a grant deed or long-term lease (with a remaining term of at least 30 years from the date of the NOFA application deadline) naming the Applicant as grantee or lessee.

G. Readiness Threshold: Reflecting the current entitlement status of the Project, the extent of design completion, any existing financing commitments, and the reasonably expected dates of appropriate state and federal funding cycles identified for the Project, a development timeline for the Project is proposed which demonstrates a critical path enabling construction to begin not more than thirty-six (36) months after the Award Letter Date (expected August 4, 2023). DOH will evaluate the Applicant's evidence of site control, current and pending land use approvals, design documents, financing commitments, and financing plan, including the schedule assumed for tax credit and Super NOFA applications, and determine in its sole discretion whether construction is likely to begin within thirty-six (36) months after the Award Letter Date. If the Applicant's development timeline proposes an earlier construction commencement date, then such earlier date will be binding if the Project receives an award under the AHF 11 NOFA.

H. Leveraging Threshold: To satisfy the Leveraging Threshold Requirement, a Project must show Significant Leveraging of other federal, state and local funding sources in addition to Low Income Housing Tax Credits and tax-exempt bonds. Significant Leveraging may be demonstrated by *one or more* of the following:

(1) A commitment to convey or lease the real property at a price at least 10% less than its appraised fair market value;

(2) An award of city housing funds, city fee waivers, or a local philanthropic award of at least $1 million;

(3) An AHSC commitment or eligibility for and a feasible plan to apply for AHSC;

(4) A state Super NOFA commitment (MPH, Joe Serna, VHHP, IIG) or eligibility for and a feasible plan to apply for a state Super NOFA commitment;

(5) A Federal Home loan Bank Board Affordable Housing Program (AHP) award or eligibility for and a feasible plan to apply for an AHP award; or

(6) A proposal to use at least $1 million of funds from a local, state or federal financing program included in the AHF 11 NOFA or awarded in prior cycles other than Measure K funds.

Land or in-lieu funds committed to the Project in order to satisfy a local inclusionary housing mandate will not count as Significant Leveraging unless the applicant attaches a letter from the jurisdiction imposing the inclusionary requirement stating that the value of the land, the amount of funds committed, or other form of contribution exceeds the minimum required by the local inclusionary ordinance or that the affordability of the Project will exceed the minimum required by the inclusionary housing ordinance. (The Applicant must disclose that a Project will benefit from a local inclusionary housing mandate at the required pre-application meeting so that the plans for demonstrating a commitment that exceeds the mandated inclusionary commitment can be discussed with DOH before proceeding with the application.)

If any below-market land value or donation of goods or services is used to show Significant Leveraging, these amounts must be supported by an independent appraisal or other evidence supporting the stated value of the contribution. A Project financed solely with (a) Measure K funds (the amount of the current request together with any Measure K funds awarded in prior cycles and anticipated from future Measure K awards) and (b) investments projected to result from an award of Low-Income Housing Tax Credits and tax-exempt bonds (or in the case of FTHO Project, the proceeds of the homebuyers' down payment and first mortgage loans) does not demonstrate Significant Leveraging and thus will not meet the Leveraging Threshold Requirement.

NOTE: A Project located in an incorporated city which does not qualify as a Supportive Housing Project is also subject to a Project cap on the award of Measure K funds equal to 15% of the Project's TDC, as described in Section III.E.3 above.

I. Financial Feasibility Threshold: Each of the following three elements must be satisfied to meet the Financial Feasibility Threshold Requirement.

(1) **Reasonable Estimates of Sources and Uses**. The proposed Sources and Uses of funds assume development costs, financing sources and financing terms that seem reasonable given current market conditions, the Underwriting Guidelines summarized in Appendix D, and the available local and federal financing programs and comparing the Project's development costs per Unit to development cost per Unit of other recent projects of similar size and type.

(2) **Ability to Operate on a Break-Even Basis.** The pro forma 30 year cash flow projections use reasonable income and expense assumptions, including but not limited to fees, vacancy rates, debt service coverage and other assumptions set forth in the Underwriting Guidelines summarized in Appendix D. The Project must be able to operate on a break-even basis with any allowable Capitalized Operating Subsidy Reserve or available rent subsidies and with an expense category of at least $500 Per Unit Per Annum (PUPA) for general resident services and at least $1,000 PUPA for Supportive Housing units.

(3) **Reasonable Fees.** Developer, Property Management, Partnership Management and Asset Management Fees must satisfy DOH Underwriting Guidelines summarized in Appendix D and may not exceed CTCAC maximum allowable fees in the case of rental Projects.

Table 8 Modification of Financial Feasibility Threshold Requirement

Number	Project Type	Description of Modification to Threshold Requirement
9	FTHO	The Sources and Uses of funds must assume a sales price and first mortgage amount and terms that are reasonable based on evidence of market conditions and available single-family home mortgages, as well as a market study that shows effective demand by Moderate Income households for homes at the proposed sales price.
10	FTHO	Pro forma 30 year cash flow projections are not required.
11	FTHO	Developer and other fees must be reasonable as a percentage of TDC in DOH's sole discretion.

J. Sustainability Threshold: As stated in writing by the Project's architect, the Project must be designed to qualify for (1) an Enterprise Green Community Certification as described at https://www.greencommunitiesonline.org/ or (2) a Green Building Certification of a type and from a source approved by Fannie Mae for its preferential loan pricing. Fannie Mae's list includes but is not limited to:

- Leadership in Energy & Environmental Design (LEED),
- Passive House Institute US (PHIUS),
- Passive House,
- Living Building Challenge,
- National Green Building Standard ICC / ASRAE – 700 silver or higher rating, or
- GreenPoint Rated Program.

Fannie Mae provides information on additional types and sources of certification available for different types of housing construction, including rehabilitation, at https://multifamily.fanniemae.com/media/13501/display .

K. Accessibility Threshold: The Project must meet CTCAC standards of accessibility including:

(1) At least fifteen percent (15%) of the Low-income Units shall provide mobility accessibility as defined in CBC 11B 809.2 through 11B 809.4, **and**

(2) At least ten percent (10%) of the Low-Income Units shall provide communications features, as defined in CBC 11B 809.5, for visual and auditory accessibility.

To the maximum extent feasible and subject to health and safety requirements, accessible Units shall be distributed throughout the Project, and there must be an accessible path of travel between accessible Units and Project offices and amenities, the building entry and any building public right of way.

Table 9 Modification of Accessibility Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
12	RRR	RRR Projects shall provide a minimum of ten percent (10%) of the Low-Income Units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and four percent (4%) with communications features, as defined in CBC 11B 809.5.

L. Community Benefits and Tenant Protections Threshold: Any Project, whether or not receiving an award of federal funds, must comply with U.S. Department of Housing and Urban Development (HUD) Section 3 requirements for a preference in hiring low and very-low-income persons residing in the community where the Project is located; requirements for a contracting preference for certain Minority Business Enterprises/Women's Business Enterprises (MBE/WBE); the Fair Housing Act; the Americans with Disabilities Act, Section 504 of the Rehabilitation Act; the Violence Against Women Act; the Right to Report from Home law, and the Uniform Relocation Act if any existing residents or tenants will be re-located. The Applicant shall utilize the County's online affordable housing listing site, known as Doorway, and at least six months prior to completion of construction shall submit for DOH's approval a Marketing Plan and Tenant Selection Plan, which in the County's judgment will Affirmatively Further Fair Housing, comply with the restrictions in the County's Regulatory Agreement, and satisfy the conditions set forth in Appendix D. In addition, any application for federal funds must satisfy tenant protections set forth in those programs, including a minimum lease term of one-year, "just cause" eviction protections, and prohibitions against tenants' being required to waive certain legal rights.

M. Design Quality and Amenities. The Project must incorporate high-quality design and amenities appropriate for the planned resident population(s). Unit sizes should be sufficient for the targeted occupancy with kitchens or kitchenettes that meet CTCAC standards. The Project must include common space for residents to gather (including an outdoor common space when feasible), as well as space for services provision and service provider staff. The Project should incorporate design features that successfully address the housing and service needs of the tenant population(s), such as spaces with doors to enable case managers and service providers to meet confidentially with clients, and space for educational and social activities.

N. Supportive Services Plan. The Project must propose a plan of supportive services with specific services and case management ratios tailored to the Project's resident population, using a supportive services provider with experience serving the proposed resident population. A rental Project's operating budget must include at least $500 Per Unit Per Annum (PUPA) for general resident Units and any Farmworker Units and $1,000 PUPA for Supportive Housing Units, including the Units subject to the

Homelessness Preference Threshold Requirement. FTHO Projects may satisfy this Threshold Requirement with an appropriate program of homeowner education and training, offered before and after the sale of the home to the homebuyer. With respect to any Supportive Housing Units, the Supportive Services Plan must describe the process of requesting, receiving, and processing referrals of special needs populations from either the Coordinated Entry System or other specialized agencies already engaged in serving those populations.

O. Community Engagement Plan. A Project that is not yet entitled must be supported by a written Community Engagement Plan (underway or proposed) which is tailored to the timing and scope of the individual Project. For example, a NCR Project not yet entitled and not subject to ministerial review should propose a plan which identifies and engages critical community stakeholders after consulting with the staff of the relevant supervisorial office and DOH, and the relevant City's housing or planning staff; encourages active community involvement; addresses community concerns and engages constructively with individuals who oppose the development; identifies and uses a communication strategy to inform and engage community stakeholders; provides for hosting one or more community meetings to discuss the proposed development; incorporates the feedback of targeted residents including people with lived experience of homelessness; provides language resources in languages appropriate to the demographic profile of the community to inform community stakeholders with Limited English Proficiency of the Project planning; uses a Project website or other tools to allow the community to review and comment on current reports on the Project status; provides consistent and accessible contact information to facilitate community feedback on the Project; and maintains engagement with the community during the pre-development, construction, lease-up and operating phases of the Project. As noted above, the scope of the Community Engagement Plan should be designed to meet the specific needs of the Project to engage with community stakeholders.

V. COMPETITIVE SCORING OF PROJECTS THAT MEET THRESHOLD REQUIREMENTS

A. Summary of Competitive Scoring. A Project that meets all Threshold Requirements will be scored and ranked in comparison with other Projects for the purpose of determining whether the Project will receive an award of funds, and if so, the recommended amount and source of funding, using the following allocation of points:

Table 10 Summary of Competitive Points for Ranking Projects that Meet Threshold Requirements

Scoring Category	**Maximum Points**
Team Capacity	10
Location	10
Affordability	20
Priority Needs: Supportive, Farmworker, and Large Family Housing	30
Readiness	20
Leveraging	10
Maximum Available Points	**100**

The scoring rubric is the same for all three types of Eligible Projects, but some scoring categories have been modified to account for underlying differences among the three eligible Project Types. The two Eligible Project types that are subject to Measure K spending limits (FTHO and RRR) will not receive Measure K funding once the applicable spending limit is exhausted, even if they score higher than other types of Projects, but such Projects may still be competitive for funding sources other than Measure K. DOH's application of the scoring rubric to rank Projects that have met Threshold Requirements and establish a recommended award amount, if any, is in the sole discretion of DOH and is not subject to appeal. However, an Applicant may submit comments on the resulting recommendation at the HCDC public hearing and again at the Board of Supervisors' public hearing.

B. Team Capacity—Maximum Points 10. A maximum of ten points may be awarded to a Project that exceeds the Threshold Requirement for Team Capacity considering the impact of one or more of the following factors:

(1) Five points if the organizational members of the Applicant Team (developer, property management, and supportive services provider) have a history of successful collaboration on two or more currently operating multi-family affordable housing projects.

(2) Five points if both the property manager and the supportive services members of the Applicant Team have experience on at least two operating multi-family affordable housing projects in which Units were filled from the Coordinated Entry system and implemented Housing First principles, including low barriers to entry.

(3) Five points if the developer member of the Applicant Team has prior successful experience in the past five years using one or more of the federal sources of funds included in the NOFA. (These points are available only if the Applicant proposes to use any of the federal housing finance programs included in the NOFA.)

Table 11 Modification of Team Capacity Competitive Points

Mod. No.	Project Type	Description of Modification to Team Capacity Competitive Points
13	FTHO	In lieu of (1) and (2) above, an FTHO applicant may compete for Team Capacity competitive points by demonstrating (1) successful experience collaborating with the intended mortgage broker or first mortgage lender on two or more completed FTHO projects; and (2) track record of five or more FTHO projects, as well as satisfying (3) above.

C. Location--Maximum Points 10. *Either* five points *or* ten points may be awarded to a Project that exceeds the Location Threshold Requirements as follows:

(1) Five points may be awarded to a Project located in a Moderate or Low Resource Area in the 2023 CTCAC/HCD Opportunity Map available at https://www.treasurer.ca.gov/ctcac/opportunity.asp but only if the Project is within a one-half mile radius of public transit, grocery shopping and other services and amenities.

(2) Five points may be awarded to a Project located in a High Resource Area in the 2023 CTCAC/HCD Opportunity Map available at https://www.treasurer.ca.gov/ctcac/opportunity.asp OR

(3) Ten points may be awarded to a Project located in a Highest Resource Area in the 2023 CTCAC/HCD Opportunity Map available at https://www.treasurer.ca.gov/ctcac/opportunity.asp.

D. Affordability—Maximum Points 20. A maximum of twenty points will be awarded to a Project based on the impact of **one or more** of the following factors in increasing the Project's affordability above the Affordability Threshold Requirements:

(1) Five points may be awarded if 100% of the total Units in the Project are restricted to Lower-Income or lower.

(2) Five points may be awarded if at least 80% of the total Units in the Project are restricted to Very Low-Income or lower.

(3) Five points may be awarded if at least 25% of the total Units are restricted to Extremely Low-Income or lower.

(4) Ten points may be awarded if **either**

> (a) at least half of the number of Extremely Low-Income units needed to meet the Affordability Threshold Requirement are restricted to Acutely Low Income by means of (i) a Capitalized Operating Subsidy Reserve or (ii) a rent subsidy program which limits the tenant's share of rent to 30% of the tenant's income **or**
>
> (b) in the case of a Project that qualifies as Supportive Housing, at least half the sum of the Project's Homelessness Preference Units and the additional Supportive Housing Units are restricted to Acutely Low Income by means of (i)) a Capitalized Operating Subsidy Reserve or (ii) a rent subsidy program which limits the tenant's share of rent to 30% of the tenant's income.

Table 12 Modification of Affordability Competitive Points

Mod. No.	Project Type	Description of Modification to Threshold Requirement
14	FTHO	In lieu of the factors set forth above, FTHO projects may compete for a maximum of twenty competitive points based on the cumulative impact of the following factors in increasing the affordability of the Project: (1) Five points if at least 20% of the homes are priced to be affordable to households with incomes up to 100% of Area Median Income; (2) Five points if the Project does not require Private Mortgage Insurance (PMI); (3) Five points if the downpayment required from the homeowner is 5% or less of the sales price; (4) Five points if the interest rate on the first mortgage loan is 5% or lower; or (5) Five points if the Project provides for homeowners to contribute "sweat equity" towards the sales price.

E. Priority Needs: Supportive Housing, Farmworker Housing and Large Family Projects—Maximum Points 30. A maximum of 30 points may be awarded to a Project that meets one or more than one of the following priority housing needs:

(1) Fifteen points will be awarded to a Project that qualifies as a Farmworker Project.

(2) Fifteen points will be awarded to a Project that qualifies as a Supportive Housing Project.

(3) Fifteen points will be awarded to a Project that qualifies as a Large Family Project.

(4) Thirty points will be awarded to a Supportive Housing Project when at least 35% of the total Units are Supportive Housing Units.

A Project may qualify for points in more than one of the three categories described above, but in no event will a Project receive more than a total of thirty points for this category.

NOTE: The Units that enable the Project to qualify for these competitive points must be restricted for at least 55 years from the Project completion date, and the Project must include a supportive services plan that provides coordinated onsite and offsite services tailored to promote housing access and retention of the targeted population.

Table 13 Modification of Supportive, Farmworker and Large Family Projects Competitive Points

Number	Project Type	Description of Modification to Threshold Requirement
15	FTHO	In lieu of points for Supportive Housing units, FTHO Projects may compete for 20 points by formally collaborating with the Section 8 Homeownership program to offer First-Time Homeownership opportunities to Housing Choice Voucher (HCV) or Project Based Voucher (PBV) households on terms that are financially feasible for such HCV or PBV households. (FTHO Projects are also eligible for the 15 points for Farmworker or 15 points for Large Family.)
16	RRR	RRR Projects that are currently occupied may compete for points for Supportive Housing or Farmworker Housing by agreeing to target Units to one of the specified populations eligible for Supportive Housing Units or Farmworker Units in the number and at the income required as occupied Units become vacant. Any resident household that already meets the conditions for a Supportive Housing or Farmworker Unit may be counted to meet the minimum requirement.

E. Readiness—Maximum Points 20. Reflecting the current entitlement status of the Project, the extent of design completion, any existing financing commitments, and the reasonably expected dates of available state and federal funding cycles proposed for the Project, a development timeline is proposed which reasonably demonstrates a critical path enabling construction to begin sooner than the Threshold Requirement of 36 months from the Award Letter date (expected August 4, 2023) as follows:

(1) 20 points for a Project that will begin construction sooner than 12 months from the Award Letter Date (expected August 4, 2023).

(2) 10 points for a Project that will begin construction sooner than 24 months from the Award Letter Date (expected August 4, 2023).

(3) 5 points for a Project that will begin construction sooner than 30 months from the Award Letter Date (expected August 4, 2023).

Table 14 Modification of Readiness Competitive Points

Mod. No.	Project Type	Description of Modification to Threshold Requirement
17	RRR	20 points will be awarded for a development timeline that enables the Project to begin construction sooner than 12 months from the Award Letter Date (expected August 4, 2023) and 10 points will be awarded for a development timeline that enables the Project to begin construction sooner than 18 months from the Award Letter Date (expected August 4, 2023).

F. Leveraging—Maximum Points 10. A Project that meets the Leveraging Threshold Requirement may be awarded a maximum of ten points for satisfying any one of the following leveraging factors:

(1) Ten points if the sum of the current Measure K request, prior Measure K, and anticipated future requests of Measure K funds does not exceed

(a) 10% of the Project's Total Development Costs (TDC) if the Project is located in an incorporated city AND is not a Supportive Housing Project; or

(b) 15% for a Supportive Housing Project or any Project in Unincorporated San Mateo County.

(2) Five points if the Project proposes to use one or more sources of federal funds (CDBG, HOME, HOME-ARP) offered by this AHF 11 NOFA which will require the Project to satisfy certain federal requirements.

(3) Five points if the Project has already secured written commitments of state Super NOFA, AHSC, AHP, city or philanthropic funding commitments (including donated land value or fee waivers) which in the aggregate equal or exceed the total Measure K funds invested in the Project (both in the current request and from prior and anticipated awards of Measure K funds).

VI. LOAN TERMS

Upon receiving an Award Letter under this AHF 11 NOFA, the Applicant is required to execute and return the Award Letter within five business days of its receipt by the Applicant and subsequently to execute a Loan Agreement, Promissory Note, Deed of Trust and Regulatory Agreement, and comply with underwriting policies and compliance monitoring requirements summarized in Appendix D.

VII. AGREEMENTS, ACKNOWLEDGMENTS, AND CERTIFICATIONS

By submitting a response to the AHF 11 NOFA, the Applicant and every member of the Applicant Team agree to the following terms, conditions, acknowledgments and certifications.

A. No Material Changes. An application, including any attachments, may not be materially revised after the Application Deadline. In cases where the application met the Threshold Requirements but is defective because of typographical or minor calculation errors, DOH may, in its sole discretion, process the application with such errors corrected. After the Application Deadline, an Applicant may only make a material correction to an application in order to support an appeal of DOH's written finding that the application did not meet Threshold Requirements as described in Section II.H of this NOFA. Upon receiving an Award Letter and before any funds may be disbursed, the Applicant must enter into a Loan Agreement, Promissory Note, Deed of Trust, and Regulatory Agreement with DOH the terms of which are consistent with the Project as it was described in the application upon which the Award Letter was based. DOH in its sole discretion may determine what constitutes a material change or approve a request for a material change.

B. Application Becomes DOH Property. All information and materials submitted to DOH in response to this AHF 11 NOFA shall become the property of DOH. Any material submitted that is considered confidential by the Applicant must be clearly marked as such. However, DOH cannot maintain the confidentiality of materials that are not protected from disclosure under the Public Records Act.

C. Public Disclosure. Applications and all materials submitted in response to this AHF 11 NOFA are subject to California Government Code Section 6250, *et seq*., the Public Records Act, which generally defines a public record as any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. The Public Records Act provides that public records shall be disclosed upon request and that any citizen has a right to inspect any public record, unless the document is exempted from disclosure. If DOH receives a request for any document submitted in response to this NOFA under the Public Records Act or other applicable legal authority, DOH will not assert any privileges that may exist on behalf of the Applicant. If an Applicant believes that a portion of its application and supporting material is confidential and notifies DOH of such in writing, DOH may, as a courtesy, attempt to notify the Applicant of any request for the information made under the Public Records Act. However, it is the sole responsibility of the Applicant to assert any applicable privileges or reasons why the document should not be produced, and to obtain a court order prohibiting disclosure. The Applicant and each member of the Applicant Team understands that DOH is not responsible under any circumstances for any harm caused by production of a confidential submission even it is privileged from disclosure, and by submitting an application expressly waives any such claim against DOH.

D. Independent Investigation of Other Funding Source Requirements. Notwithstanding the summaries of other funding programs provided in this NOFA, the Applicant acknowledges and agrees that it is the Applicant's responsibility independently to investigate the terms and conditions of such programs and make their own determination as to whether a proposed Project will be able to satisfy any of the conditions of such programs.

E. **Good Standing**. The Applicant represents and warrants that the Applicant and each member of the Applicant Team is qualified to do business and in good standing with the California Secretary of State and the California Franchise Tax Board. The Applicant further represents and warrants that the Applicant and each member of the Applicant Team has been and remains in compliance with the terms and conditions of any awards from any public agency, including but not limited to the California Department of Housing and Community Development, the California Tax Credit Allocation Committee, the California

Debt Limit Allocation Committee, the Housing Authority of the County of San Mateo, and the San Mateo County Department of Housing. Applicants are STRONGLY advised to disclose any of the following events which have occurred in the past five years:

- Removal or withdrawal under threat of removal as a general partner in an affordable housing project.
- Failure to comply with prevailing wage requirements, including non-reporting.
- Failure to correct overcharging of rent more than three (3) months after public agency's issuance of notice of noncompliance.
- Use of operating or replacement reserve funds for projects subsidized with public funds in a manner contrary to program requirements, or failure to deposit or maintain reserve funds as required by the public agency.
- Failure to provide promised supportive services to a special needs population or tenants of a project.
- Failure to seek required public funder approvals for actions under loan documents, such as approval of transfers.
- Other significant violations of the requirements of public agency programs such as: the failure to adequately maintain the books and records thereof; failure to adequately maintain an affordable housing property; failure to ensure income eligibility compliance; etc.
- Notice of noncompliance issued by the public funder for other reasons.

Any such events which have been resolved to DOH's satisfaction will have no effect on the application. Any such event discovered by DOH which is not disclosed by an Applicant may result in IMMEDIATE disqualification of an application.

F. Agreement Not to Discriminate. The Applicant and each member of the Applicant Team agrees not to discriminate on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, participation in a tenant-based rental assistance program, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), immigration status, past criminal background or any other protected status. Applicants and Projects must meet the requirements of the Americans with Disabilities Act and the Rehabilitation Act and other laws protecting people with disabilities from discrimination. Applicants and Projects, including those not receiving an award of federal funds, must comply with the federal Violence against Women Act and the Right to Report from Home law.

G. Conflict of Interest. The Applicant and each member of the Applicant Team acknowledges that under Section 1090 et seq. and Section 87100 et seq. of the California Government Code conflict of interest laws, no public official or employee of the County who participates in the decision-making process concerning selection of an Applicant or Applicant Team or a Project may have or receive a direct or indirect financial or economic interest in any member of the Applicant Team or any affiliate or other firm providing the requested goods and services for this solicitation or the Project.

H. County Ordinances and Requirements. In addition to any requirements imposed by a specific federal funding source available under the NOFA, an Applicant and each member of the Applicant Team will be required to comply with the San Mateo County Living Wage Ordinance, Equal Benefits Ordinance, and other County requirements. DOH also requires Projects that receive awards under this NOFA to utilize the County's affordable housing listing portal, Doorway, to advertise available Units and collect pre-application information. Whether or not a Project receives an award of federal funds, DOH requires Projects to comply with certain federal requirements, including Section 3, MBE/WBE, Violence Against Women Act, Fair Housing Act, Americans with Disabilities Act, and Uniform Re-location Act. Compliance with federal Davis-Bacon wage requirements, the Build America, Buy America Act, and the National Environmental Protection Act are not triggered by an award of state or local funds but may be triggered by an award of federal funds.

I. Required Certifications Under Penalty of Perjury. By submitting an application in response to this AHF 11 NOFA, an Applicant and each member of an Applicant Team certify under penalty of perjury that:

• The submission is not the result of collusion with an DOH employee or San Mateo County official or any other activity that would tend to directly or indirectly influence the selection process.

• The Applicant and each member of the Applicant Team is able or will be able to comply with all requirements of this NOFA.

• The Applicant is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees and is unaware of any financial or economic interest of any County officer or employee relating to this solicitation.

• Neither the Applicant, nor any member of an Applicant Team, nor any principals or named subcontractors are identified on the list of Federally debarred, suspended or other excluded parties located at https://sam.gov/content/exclusions.

J. No Promises, Funding Commitments or Agreements. Applicant and each member of the Applicant Team acknowledge and agree that DOH's issuance of this AHF 11 NOFA is not a promise or an agreement to fund any specific Project or enter a specific contract. DOH reserves the right at any time and from time to time, and for its own convenience, in its sole and absolute discretion, to do the following:

• Modify, suspend or terminate any aspect of the selection process, including, but not limited to this NOFA and all or any portion of the Project selection process.

• Waive any technical defect or informality in any submittal or submittal procedure that does not affect or alter the submittal's substantive provisions.

• Reject any and all submittals.

• Request some or all Applicants to revise submittals.

• Waive any defects as to form or content of this NOFA or any other step in the selection process.

• Reject all applications and reissue the NOFA.

• Procure the desired loan applications by a means other than this NOFA or not proceed in procuring the proposals for loans under this NOFA.

• Negotiate and modify any terms of an agreement made pursuant to this NOFA.

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Appendix A

Definitions

“Acutely Low-Income" Unit: A Unit targeted to a household earning up to 15% of the Area Median Income (AMI) adjusted for household size with rent restricted to be affordable to that income level adjusted for Unit size, as published annually by CTCAC and HUD and posted on the DOH website.

“Affirmatively Further Fair Housing”: To take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

“Agricultural Employment”: Employment in the cultivation and tillage of the soil; the production, cultivation, growing and harvesting of any agricultural or horticultural commodities; the raising of livestock, bees, furbearing animals, or poultry; dairying, forestry, and lumbering operations; and any work on a farm as incident to or in conjunction with such farming operations, including the delivery and preparation of commodities for market or storage. Agricultural Employment also includes work done by any person who works on or off the farm in the processing of any agricultural commodity until it is shipped for distribution, whether or not such person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the California Labor Code.

“Agricultural Household”: Agricultural Worker or workers and other persons who reside or will reside with an Agricultural Worker in a Unit.

“Agricultural Worker”: An individual who derives, or prior to retirement or disability derived, a substantial portion of his/her income from Agricultural Employment.

“AHF”: San Mateo County’s Affordable Housing Fund which is the source of funds for loans made under this Notice of Funding Availability.

“AHF NOFA,” “AHF 11 NOFA” or “NOFA”: The current County Affordable Housing Fund Notice of Funding Availability released on May 5, 2023.

“AHF-Restricted Unit”: A residential Unit of a specific size that is subject to income, rent, occupancy and target population restrictions as a condition of AHF financial assistance as set forth in the Loan Agreement and Regulatory Agreement for the Project. The number and type of AHF-Restricted Units for a specific Project shall be determined in accordance with Appendix D of the NOFA.

“Applicant”: The entity applying for funds under this NOFA who is authorized to communicate with DOH concerning the application, to represent and bind the other organizations that are part of the Applicant Team, and to execute an Award Letter if one is issued by DOH. Eligible Applicants include non-profit and mission-driven for-profit developers, other non-profit sponsoring agencies, tax credit limited partnerships and limited liability companies, and joint ventures among any of these entities. Government agencies are <u>not</u> eligible Applicants.

“Applicant Team”: The entities required to be identified in an application in order to demonstrate that, collectively, they have the necessary experience, track record, and organizational good standing to develop, manage, operate and provide supportive services to the Project for which AHF funding is requested. The Applicant Team for a rental Project will typically include an entity with development capacity, property management capacity, and supportive services capacity. If the developer member of the Applicant Team for a rental Project is a for-profit company, the Applicant Team shall include a qualified nonprofit Managing General Partner.

"At-risk of Homelessness": As provided by the McKinney-Vento Homeless Assistance Act as amended by Section 896 of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, an individual or family who:

(1) Has income below 30 percent of median income for the geographic area, as determined by HUD;
(2) Has insufficient resources or support networks immediately available to attain housing stability; and
(3) Meets one of the following conditions:
    (a) Has moved frequently (two or more times during a 60-day period) because of economic reasons; ***or***
    (b) Is living in the home of another because of economic hardship; ***or***
    (c) Has been notified in writing that their right to occupy their current housing or living situation will be terminated; ***or***
    (d) Lives in a hotel or motel and the cost is not paid for by a charitable organization or by Federal, State, or local government programs for low-income individuals; ***or***
    (e) Lives in severely overcrowded (more than two (2) people per bedroom or sleeping area such as a living room) housing; ***or***
    (f) Is exiting a publicly-funded institution or system of care; ***or***
    (g) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

"Award Letter": The letter from DOH informing the Applicant that the San Mateo County Board of Supervisors has authorized a specific award amount from a specific funding source to a Project selected for funding under this AHF NOFA.

"Award Letter Date: The date of the DOH Award Letter under the AHF 11 NOFA, expected to be August 4, 2023, which is used as a starting point to estimate the number of months before a Project will be ready to commence construction.

"Borrower": The entity which will own and operate the Project and execute the Loan Agreement, Deed of Trust, Regulatory Agreement and Promissory Note implementing the terms of the Award Letter issued by DOH. If the Applicant is not the Borrower, the Applicant may assign the Award Letter to the Borrower entity only with DOH's written approval. DOH may withhold its approval of this assignment if the Borrower is not an entity wholly owned or controlled by the Applicant or an affiliate of an entity owned or controlled by the Applicant.

"Behavioral Health and Recovery Services" or "BHRS": A division of the County Health System which provides a broad spectrum of services for children, youth, families, adults and older adults for the prevention, early intervention and treatment of mental illness and/or substance use conditions.

"Capital Replacement Reserve": A reserve for capital replacements of the Project improvements in an amount of $500 per Unit per year, and any changes to the amount deposited into this replacement reserve shall require DOH approval. Exceptions may be granted to address the requirements of other lenders or investors in the Project. Replacement reserve deposit amounts for rehabilitation Projects must be based on a twenty- year physical needs assessment of the Project, after accounting for the balance of any existing reserves.

"Capitalized Operating Reserve": Funding set aside at the beginning of a rental Project and included in the proposed development budget sufficient to cover three months operating expenses and debt service.

"Capitalized Operating Subsidy Reserve (COSR)": Funding set-aside at the beginning of a Supportive Housing Project and included in the proposed development budget to cover operating deficits projected to result from lower rents, higher vacancies, and higher supportive services costs because the Project includes Supportive Housing Units.

"CDLAC": The California Debt Limit Allocation Committee responsible for allocating tax-exempt bonds to affordable housing projects.

"Chronically Homeless": As defined in section 401(2) of the McKinney-Vento Homeless Assistance Act as amended, an individual or family who:

(1) Is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;
(2) Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least a (1) year or on at least four (4) separate occasions in the last three (3) years; and
(3) Has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of two (2) or more of those conditions.

A person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person meets all of the requirements described above prior to entering that facility.

"Coordinated Entry System" or "CES": San Mateo County's coordinated process for homeless participant intake, assessment, and provision of referrals to the most appropriate housing solutions. The County Human Services Agency's Center on Homelessness is the lead agency for administration of the CES.

"Construction Expenses: The cost of demolition; on- and off-site improvements; architectural and engineering fees, local permit and impact fees, legal fees, eligible consultant and professional fees, construction period interest, property taxes and insurance; and construction of new residential Units (or rehabilitation of existing residential Units) and non-commercial common areas that are an integral part of a residential development and eligible to be included in basis for purposes of the Low-Income Housing Tax Credit; and other direct construction costs.

"CTCAC": The California Tax Credit Allocation Committee responsible for making awards of Low-Income Housing Tax Credits to affordable housing projects.

"Deed of Trust": The recorded deed of trust executed by Borrower in favor of DOH which describes the real property interest which secures the repayment of the DOH Loan and DOH's remedies in the event of Borrower's breach of the Loan Agreement or Note.

"Disabled Family/Household/Person with Disabilities": For any Units benefiting under this NOFA from a federal housing program, this NOFA follows the U.S. Department of Housing and Urban Development's (HUD) definition of a disabled family. Disabled family means a family whose head (including co-head), spouse, or sole member is a person with a disability. A disabled household may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides (24 CFR 5.403). As defined in section 5.403, a person with disabilities means a person who:

(1) Has a disability as defined in Section 223 of the Social Security Act (42 U.S.C.423), or
(2) Is determined by HUD regulations to have a physical, mental or emotional impairment that:
    a. Is expected to be of long, continued, and indefinite duration;
    b. Substantially impedes his or her ability to live independently; and
    c. Is of such a nature that such ability could be improved by more suitable housing conditions, or
(3) Has a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)).

The HUD definition of a person with disabilities includes persons who have the disease acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV). However, for the purpose of qualifying for low-income housing, the definition of disability does not include a person whose disability is based solely on any drug or alcohol dependence.

For any Units not benefiting from a federal housing program, this NOFA generally follows the HUD definition of "disability" except that "developmental disability" is defined under the California Lanterman Act for Developmental Disabilities Services set forth in the Welfare & Institutions Code. Additional qualifications may apply to other kinds of disabilities targeted for Supportive Housing Units under this NOFA, including Mental Health Services Act and Housing for a Healthy California Act.

This NOFA generally follows HUD guidance prohibiting a preference for a specific type of disability but allowing (a) a preference for physically adapted Units for people who need that mobility or communication accommodation and (b) a preference for Supportive Housing Units with specific supportive services for people with disabilities who need those tailored supportive services to acquire and retain stable housing.

“DOH” or the “Department:” The County of San Mateo Department of Housing.

“Developer” or “Project Developer:” The entity listed in the application for this NOFA as responsible for completing the acquisition, entitlement, financing and construction of the Project and selecting, contracting with and monitoring a qualified property management company and supportive services provider.

“Developer, Partnership Management and Asset Management Fees”: Reasonable fees paid to the Developer or a general partner of the Borrower entity that will own and operate the Project to compensate for the time, effort and risk of developing and operating the Project. Such fees will generally be deemed “reasonable” in the case of rental Projects if they are within the limits for such fees imposed by CTCAC and comply with DOH Underwriting Policies. Developer fees for FTHO Projects will be limited to reasonable fees determined by DOH in its discretion.

“Elderly Household: A household headed by a person 62 years of age or older.

“Eligible Project” types: The three types of affordable multi-family housing Projects solicited under this NOFA, limited to New Construction Rental (“NCR”), Re-syndication Rehabilitation Rental (“RRR”), and New Construction First Time Home Ownership (“FTHO”). Applications for ineligible types of affordable housing will not be accepted or evaluated for funding under this NOFA.

“Emerging Developer”: An entity that has developed, owned, or operated at least one (1) but not more than three (3) affordable housing developments that are equivalent to the proposed affordable housing development in size, scale, amenity, and target population, as determined by DOH in its reasonable discretion. DOH may determine the experience of an Emerging Developer by evaluating the experience of the entity itself, and/or the experience of senior staff within the organization.

“Extremely Low-Income (ELI) Unit”: A Unit targeted to a household with income up to 30% of the Area Median Income (AMI) adjusted for household size with rent restricted to be affordable to that income level adjusted for Unit size, as published annually by CTCAC and HUD and posted on the DOH website.

“Farmworker Project”: A Project with at least 25 percent of the Units available to, and occupied by, Agricultural Households. Farmworker Projects shall provide appropriate oral and written linguistic services and publications. The Applicant must also document that there is sufficient demand for Agricultural Household units in the area served by the Project.

“Frail Elderly Household: An elderly household that is homeless or at-risk of being homeless and exiting a nursing or long-term care facility, or at immediate risk of entering long-term care, but who would be able to remain in an independent living situation with some support.

“HHC-Eligible Population:” An individual or family who meet all of the following state Housing for a Healthy California (“HHC”) requirements:

(1) Is experiencing
    a. chronic homelessness or

    b. homelessness and is a High-cost health user upon initial eligibility; and
(2) Is a Medi-Cal beneficiary or is eligible for Medi-Cal; and
(3) Is eligible to receive services under a program promoting housing stability for persons with disabilities, including, but not limited to, the following:
    a. The Whole Person Care pilot program, or successor program; or
    b. Other appropriate Health System program.
(4) Is likely to improve his or her health conditions with Supportive Housing.

"HOME-ARP Qualifying Populations": Four categories of people eligible to apply for a HOME-ARP Unit, including (1) People experiencing Homelessness as defined above; (2) People fleeing or attempting to flee domestic violence or human trafficking even if they do not meet the HUD definition of Homelessness; (3) People at Risk of Homelessness; and (4) Specific Groups experiencing Housing Instability, including formerly homeless people whose housing is unstable because of limited rental assistance or inadequate supportive services; Extremely Low-Income people who are severely rent-burdened; and Very Low-Income people who meet at least one of the conditions for being At Risk of Homelessness. Veterans are included in all four of these Qualifying Populations. See Appendix B for a summary of HOME-ARP funding terms and conditions.

"Homelessness or Homeless": Relying on the HUD definitions of homelessness found in 24 CFR 91.5, this includes the four "categories" of homelessness set forth below:
Category 1: Literally Homeless referring to a person or family who lacks a fixed, regular, and adequate nighttime residence, meaning any of the following:

(a) They have a primary nighttime residence that is a public or private place not meant for human habitation (for example, a vehicle, park, abandoned building, bus or train station, airport, or camping ground); or

(b) They are living in a publicly- or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, non-congregate shelters, interim housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs); or

(c) They are exiting an institution where they 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.

Category 2: At Imminent Risk of Homelessness referring to a person or family who will imminently lose their primary nighttime residence, meaning all of the following: (i) Their residence will be lost within 14 days of the date of their application for homelessness assistance; (ii) They have not identified a subsequent residence; and (iii) They lack the resources and support networks needed to obtain other permanent housing.

Category 3: Unaccompanied Youth and Families with Children referring to an unaccompanied youth or family with children who are deemed homeless by another federal agency (such as Department of Education) and meet all the following:
(a) They have not been on a lease or occupancy agreement or owned a residence in the prior 90 days;

(b) They have moved three or more times in the prior 90 days; and
(c) They have one or more of the following conditions:
   (I) chronic disabilities
   (II) chronic physical or mental health conditions
   (III) substance addiction
   (IV) histories of domestic violence or childhood abuse
   (V) child with a disability
   (VI) two or more barriers to employment, which include lack of a high school degree or GED, illiteracy, low English proficiency, history of incarceration, history of unstable employment

Category 4: Domestic Violence referring to a person or family who meets all of the following criteria: (i) They are fleeing or attempting to flee domestic violence, which includes but is not limited to sexual violence, dating violence, stalking, and human trafficking; (ii) They have no other residence; and (iii) They lack the resources and support networks needed to obtain other permanent housing.

"Household". A household is a group of one or more persons who live together. A single person living alone is considered a household.

"Large Family Project": A Project in which at least 25% of the Units are three-bedroom or larger Units and at least an additional 25% of the Units are two-bedroom or larger Units.

"Loan Agreement": The contract between Borrower and DOH, executed by both parties, describing the duties, conditions, and obligations of each party in connection with an AHF 11 loan.

"Low-Income Unit": A Unit targeted to a household with income up to 80% of the Area Median Income (AMI) adjusted for household size with rent restricted to be affordable to that income level adjusted for Unit size, as published annually by CTCAC and HUD and posted on the DOH website.

"Lower Income Unit": A Unit targeted to a household with income up to 60% of the Area Median Income (AMI) adjusted for household size with rent restricted to be affordable to that income level adjusted for Unit size, as published annually by CTCAC and HUD and posted on the DOH website.

"Marketing Plan": For the purposes of this NOFA, a Marketing Plan is the Borrower's plan for marketing the Project, to ensure that target populations, countywide and local residents and workforce populations will be aware of the housing opportunities in the Project. The Marketing Plan should include information on Borrower's plan to: (i) affirmatively market the Development to income-eligible households, particularly the populations least likely to know about the housing opportunity and (ii) comply with fair housing laws.

"Mental Health Service Act Units" or "MHSA-Units": Units subject to a preference for households who qualify under the MHSA Housing Program who are seriously mentally ill and homeless or at risk of homelessness. Units targeted for MHSA-Eligible Households will be filled by referrals from BHRS. See Appendix B for a description of MHSA funding terms and conditions.

"Minority-Owned Business Enterprise" or "MBE": A business which is at least 51% owned by minority-group individuals or, in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals. Minority group members are United States citizens or permanent residents who are Asian-Indian, Asian-Pacific, Black, Hispanic and Native American.

“Moderate Income Unit”: A Unit targeted to a household earning up to 120% of the Area Median Income (AMI) adjusted for household size with rent restricted to be affordable to that income level adjusted for Unit size, as published annually by CTCAC and HUD and posted on the DOH website.

“New Construction First-Time Homeownership” (FTHO) Project”: Multi-family new-construction deed-restricted permanent homeownership housing Project in which all residential Units are targeted to first-time homebuyers with Moderate Incomes or lower, where the term of occupancy is not time-limited and where the affordability of each Unit is maintained through homebuyer’s execution of a restrictive covenant. This includes a Project consisting of at least 20 new manufactured homes for sale to first-time homeowners.

“New Construction Rental (NCR) Project”: New-construction deed-restricted permanent multifamily rental housing Project where the tenants rent their units subject to income and rent restrictions and their term of occupancy is not time-limited. This includes a Project consisting of at least 20 new manufactured homes for rent.

“Note or Promissory Note”: The promissory note executed by Borrower in favor of DOH describing the terms and repayment provisions of an AHF loan.

“Predevelopment Expenses”: Expenses necessary to prepare a Project to begin construction or rehabilitation, including but not limited to, obtaining an appraisal; undertaking a market study; undertaking environmental reviews including a Phase I report, Phase II report, and NEPA report; undertaking soils and topographic surveys; undertaking a traffic study; applying for and submitting funding applications; obtaining preliminary construction cost estimates; obtaining design development documents; and obtaining construction documents.

“Project”: A multifamily affordable permanent housing project that is an Eligible Project type and the subject of an application under this NOFA.

“Relocation Expenses”: Expenses incurred under the Uniform Relocation Act to provide persons and businesses displaced by the Project with eligible relocation advisory services and payments.

“Re-syndication of an Existing Low-Income Housing Tax Credit (LIHTC) Property with Rehabilitation for Rental (RRR) Project”: An existing deed-restricted permanent multifamily rental housing previously financed with Low Income Housing Tax Credits (LIHTC) which the Applicant intends to rehabilitate with the proceeds of a new award of LIHTC and continue to rent the Units to income-qualifying households.

“Site Acquisition Expenses”: Expenses necessary to complete the purchase or rental of a site on which the Project will be developed, such as appraisals, purchase agreement deposits, option payments, other site control costs, the purchase price of the site, repayment of the loan(s) that originally financed the purchase of the site (i.e., take- out financing), and other acquisition costs such as buyer’s share of closing costs, site clearance, environmental remediation costs associated with environmental hazards, and preliminary site grading in preparation for construction of the Units. DOH will not disburse funds for acquisition costs for the land and improvements in excess of the value of the property appraised within six months of disbursement.

“Supportive Housing Project”: A Project that exceeds the Homelessness Preference Threshold Requirement by designating at least 20% of the Project’s total Units as Supportive Housing Units (in addition to the 5% of the Project’s total Units necessary to satisfy the Homelessness Preference Threshold Requirement). A Supportive Housing Project must provide coordinated on-site and off-site supportive housing services tailored to the needs of the targeted special needs households, including but not limited to case management, health services, independent living skills, or other assistance that will help the targeted special needs household become and remain successfully housed. Supportive Housing Units must be supported by a minimum services budget of $1,000 Per Unit Per Annum for each Supportive Housing Unit. Participation in supportive services and programs shall be voluntary, and a resident of a Supportive Housing Project shall not be required to receive supportive services as a condition of tenancy if the household is able to maintain their tenancy without such services.

“Supportive Housing Unit”: A Unit that is subject to a preference for one or more of the following special needs populations as defined in this Appendix A: Homeless households; Chronically Homeless households; At-risk-of Homelessness households; Disabled Families/Households/Persons with Disabilities; Frail Elderly; Duals Demo Households; HHC (Housing Healthy California) Households; MHSA (Mental Health Services Act) Households; HOME-ARP Qualifying Populations; and Youth Transitioning out of Foster Care. Veterans qualify for Supportive Housing Units if they fall within one of the other identified Supportive Housing populations, but Supportive Housing Units may not be limited to Veterans unless required by an award of HUD-VASH Project-Based Vouchers, state Veterans Housing and Homelessness Program (VHHP) funding, or other funding or long-term lease commitment limited to Veterans housing.

“Tenant-Based Rental Subsidy”: A rental subsidy that is awarded a household to use at housing of their choice, instead of attaching to a specific Unit or a specific Project.

“Tenant Selection Plan”: The Borrower’s written policies and criteria for selecting tenants for the Project to ensure that the leasing of the Project will be conducted in a manner that provides fair and equal access under the law. The Tenant Selection Plan may be submitted with the Marketing Plan and should include information on Borrower's plan to: (i) limit occupancy to income-eligible households, (ii) describe any preferences which the Project will implement; (iii) give notice to applicants of rejection and grounds for rejection, (iv) manage applicants on a wait list for occupancy in the Project, (v) utilize Doorway, the County’s affordable housing listings portal, (vi) provide for any specialized referral methods needed for Supportive Housing Units to ensure coordination of housing with supportive services; and (vi) comply with Fair Housing laws.

“Unincorporated San Mateo County” All areas in San Mateo County that are not within incorporated city boundaries.

“Unit”: A residential dwelling Unit containing a kitchen and bathroom(s) for which the resident is required to pay some or all of the rent or purchase price. A studio/efficiency Unit qualifies as a Unit under the AHF 11 NOFA, but a Single Room Occupancy (SRO) unit lacking a kitchen or bathroom will not qualify unless approved by DOH.

“Very Low-Income (ELI) Unit”: A Unit targeted to a household with income up to 50% of the Area Median Income (AMI) with rent restricted to be affordable to that income level adjusted for Unit size, as published annually by CTCAC and HUD and posted on the DOH website.

“Veterans”: People who have served in the U.S. armed forces and includes veterans who qualify for the Veterans Housing and Homelessness Prevention program because of their discharge status.

“Women-Owned Business Enterprise” or “WBE”: For the purposes of this NOFA, WBE is a business enterprise in which at least fifty-one percent (51%) is owned, operated and controlled by citizens or permanent residents who are women.

“Youth Transitioning Out of Foster Care”: People between the ages of 18 and 24 who are in transition from state custody or foster care and are at-risk of homelessness.

Appendix B

DESCRIPTION OF AFH 11 FUNDING SOURCES

The following table summarizes the different funding sources made available for affordable housing development and preservation in AHF 11. This Appendix B provides some information about each funding source, as well as references to applicable statutes and regulations. It is the Applicant's responsibility to investigate financing program restrictions and assess whether a specific funding source is appropriate for a specific Project.

Table 1 Summary of Funding Included in AHF 11 NOFA

Source	Amount
Measure K	$20,200,000
Community Development Block Grant (CDBG)	$1,136,870
HOME Investment Partnership Program (HOME)	$2,592,208
HOME American Rescue Plan (HOME-ARP)	$4,403,212
RDA Housing Trust Fund (RDA HTF) (expected up to estimated amount)	$2,200,000
Total Amount Available for AHF 11 NOFA Awards	**$30,532,290**

I. MEASURE K

A. Legal Authority for the Award of Measure K Funds for Affordable Housing. Measure K is a countywide half-cent sales tax extension passed by San Mateo County voters in November 2016 to support essential County services and to maintain or replace critical facilities, providing local funds for local needs. "Providing affordable homes for seniors, veterans, individuals with disabilities and families" is one of the stated priorities of Measure K. As part of its annual budget development process, the San Mateo County Board of Supervisors considers departmental requests for Measure K funding for stated priorities. In developing the County's FY 22-23 budget, the Board of Supervisors authorized Twenty Million Dollars ($20,000,000) of Measure K funds for the AHF 11 NOFA, and an additional $200,000 is included from recovered funds from prior awards. Measure K expenditures for housing are monitored and reported on by DOH. The Measure K Oversight Committee ensures the preparation and review of an annual audit of Measure K expenditures. https://www.smcgov.org/ceo/measure-k-oversight-committee. Each Project proposed for funding under the AHF 11 NOFA must return to the Board of Supervisors for final approval, which is expected to occur on August 1, 2023, following review and recommendation by the County's Housing and Community Development Committee (HCDC).

B. Conditions of Measure K Funding. The AHF 11 NOFA describes the conditions for receiving a Measure K award for affordable housing development and preservation, and Appendix D summarizes the expected Loan Terms, Regulatory Agreement, Underwriting Policies and Compliance Monitoring. Some DOH contract provisions implement federal restrictions which the County has adopted as a matter of public policy in its loan terms and loan documents. These include but are not limited to:

A. MBE/WBE contracting
B. Section 3 hiring
C. Uniform Re-location Act
D. Non-discrimination and Affirmatively Furthering Fair Housing Laws
E. Violence against Women Act

F. Right to Report from Home Act
G. Americans with Disabilities Act
H. Section 504 of the Rehabilitation Act.

There are other significant federal restrictions which the County has *not* incorporated in its contract documents, including the Davis-Bacon wage requirements, the Build America Buy America Act (BABAA) and the National Environmental Protection Act (NEPA). These only apply to Projects that use certain federal housing finance programs.

C. Addressing Homelessness and Other High Priority Needs. The County requires that at least 5% of a Project's Low-Income Units target people experiencing Homelessness and at least an additional 15% of a Project's Low-Income Units target affordability that does not exceed the Extremely Low-Income level. In addition, the County uses a competitive scoring rubric to prioritize the award of Measure K funds to Projects that exceed these Threshold Requirements by providing greater affordability and more Supportive Housing Units for vulnerable people who need both stable housing and coordinated supportive services. This prioritization is based on the County's experience that the critical safety net services offered to vulnerable people by the County Human Services Agency, the Behavioral Health and Recovery Services Agency, the Health Plan of San Mateo County and the Golden Gate Regional Center have a measurably greater impact when coordinated with stable affordable housing and that the stability of a vulnerable household's affordable housing is increased by the coordination of appropriate supportive services. The County also prioritizes the award of Measure K funds to Farmworker Projects and Large Family Projects.

II. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

A. Legal Authority for the Award of CDBG Funds for Affordable Housing. Authorized under Title I of the Housing and Community Development Act of 1974, CDBG is a federal block grant program awarded annually to states and local entitlement jurisdictions, including San Mateo County, for the development of viable communities principally for Low-Income and Moderate-Income (LMI) households. The creation of "decent housing" fulfills one of the CDBG program's National Objectives when at least 51% of the Project's Units will benefit LMI households. San Mateo County's CDBG funds are administered by DOH and implement the County's HUD-approved Consolidated Plan. The CDBG regulations can be found at 24 CFR Part 570.

B. Conditions of CDBG Funding. CDBG funds can be used for direct homeowner assistance (loans, grants, down payment and closing cost assistance.) CDBG funds can also be used to rehabilitate multi-family housing (rental or homeownership) but cannot be used for the hard or soft costs of new construction except in connection with a neighborhood revitalization, community economic development, or energy conservation project led by an organization designated as a Community-Based Development Organization (CBDO). Therefore, NCR and FTHO Projects may apply for CDBG funds but only for the cost of Site Acquisition carried out by a public or nonprofit entity unless their Project meets the narrow conditions available for new construction carried out by a CBDO.

Furthermore, at least 51% of the Units in a Project benefiting from an award of CDBG funds must be targeted to LMI households. CDBG restrictions apply to the entire Project (not to specific assisted Units) but income and rent restrictions are only enforced at the time of initial occupancy.

C. Significant Federal Requirements that Apply to CDBG-funded Projects

DOH has incorporated a number of federal requirements in its standard Loan Agreement for an award of local Measure K funds. However, there are some federal restrictions that are not incorporated but would apply because of a Project's use of CDBG funds. These include but are not limited to:

(1) **Davis-Bacon Act**. A Project using CDBG funds for construction or rehabilitation costs must comply with the obligation to pay prevailing wages as required by the Davis-Bacon Act and Related Acts when Davis-Bacon prevailing wages would exceed local and state prevailing wage requirements to which the Project is also subject.
(2) **Build America Buy America Act.** HUD has applied the Build America Buy America Act (BABAA) to projects receiving $250,000 or more of CDBG or any other federal assistance. The Buy America Preference is initially subject to iron and steel procurement but will be phased in to apply to other construction materials and manufactured products. For more information on specific requirements and the timeline for rolling out these additional requirements, please see https://www.hud.gov/program_offices/general_counsel/BABA.
(3) **National Environmental Policy Act.** CDBG-funded Projects must comply with the National Environmental Policy Act (NEPA). DOH is the Responsible Entity for certifying a Project's compliance with NEPA to the U.S. Department of Housing and Urban Development. A Project that receives an award of funds that triggers NEPA must immediately cease all "choice-limiting" activities until the NEPA clearance is received from HUD.

Recipients of CDBG funds must also comply with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

III. HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

A. Legal Authority for the Award of HOME Funds. The HOME Program is a federal block grant program designed to increase the supply of decent, affordable housing to low and very low-income households. DOH administers an annual award of HOME funds on behalf of the San Mateo County HOME Consortium pursuant to Title II of the Cranston Gonzales National Affordable Housing Act of 1990. HOME funds implement the County's HUD-approved Consolidated Plan. The federal regulations that govern the HOME Program are found at 24 CFR Part 92.

B. Conditions of HOME Funding. The three Eligible Project types (NCR, RRR, and FTHO) included under this AHF 11 NOFA are eligible to receive HOME funds. HOME funds can be used for new construction of both rental and ownership housing, as well as rehabilitation of an existing structure. Acquisition of vacant land or demolition of an existing structure can only be funded with HOME funds if construction will commence within 12 months. Re-location assistance required under the Uniform Relocation Act is an eligible use of HOME funds. HOME funds may be used to capitalize an operating deficit reserve for NCR and RRR Projects but only for the initial rent up period, up to 18 months. Reasonable soft costs are also eligible uses of HOME funds.

HOME-assisted Projects are subject to a subsidy layering review to establish that the Project is not over-subsidized. After the first 12 months following Project completion have passed, a Project that has already received an award of HOME funds may not receive a subsequent HOME award. The minimum award of HOME funds for a Project is $1,000 multiplied by the number of HOME-Assisted Units in the Project. In a mixed-income Project, the costs of the HOME-assisted Units can be pro-rated as a portion of the TDC if the Units are comparable in size and amenities. However, in no event can the amount of HOME subsidy exceed the maximum per unit subsidy amount adjusted for unit size as set forth in Table 2:

Table 2 2023 Maximum Subsidy Limits for each HOME-Assisted Unit

Unit size	Maximum Per Unit HOME Subsidy Limit--2023
0 bedroom	$173,011
1 Bedroom	$198,331
2 Bedrooms	$241,176
3 Bedrooms	$312,005
4 plus Bedrooms	$342, 482

HOME funds are targeted to create Units with income and rent limits for Lower-Income and Very Low-Income Households or lower throughout the affordability period. A Project's HOME-assisted Units must be occupied by households with incomes at or below 60% AMI and, in the case of a Project with five or more HOME-assisted Units, at least 20% of the Project's HOME-assisted Units must be occupied by Very Low-Income households or lower. Lower-Income HOME Units may be designated for "High HOME rents" (up to 65% of Area Median Income). HOME-assisted Units may be designated as "floating" to facilitate compliance over time with income and rent restrictions if the Units to which the HOME designation would float are comparable in size, quality and amenities. A Project financed with both HOME funds and Low-Income Housing Tax Credits must use the Section 8 annual gross income definition (known as Part 5) to determine qualifying household income.

Income and rent limits must be imposed on HOME-Assisted Units for a minimum period of affordability. For NCR projects, the minimum period of affordability is 20 years: for RRR projects, the minimum period of affordability is 15 years: and for FTHO Projects the minimum period of affordability ranges from 5 years to 15 years depending on the amount of HOME funds awarded per Unit. For FTHO Projects assisted with HOME funds, the maximum purchase price of the home may not exceed 95% of the median purchase price of homes purchase in the area. Affordability and other restrictions that expire at the end of any HOME period of restrictions will be replaced by the County's Measure K income and rent restrictions for the balance of the 55-year term.

DOH must provide a 25% match for any HOME funds committed to a Project, which DOH expects to satisfy by awarding Measure K funds to HOME-eligible Projects under AHF 11, including HOME-eligible Projects that do not receive an actual HOME award. DOH is also responsible to award at least 15% of the HOME Consortium's HOME funds to Projects sponsored by Community Housing Development Organizations (CHDOs). DOH encourages applications from organizations that have qualified as CHDOs under the HOME program.

C. Significant Federal Requirements that Apply to HOME-funded Projects

DOH has incorporated a number of federal requirements in its standard Loan Agreement for an award of Measure K funds. However, there are some federal restrictions that are not incorporated in the County's standard Loan Agreement but would apply because of the Project's use of HOME funds. These include but are not limited to:

(1) **Davis-Bacon Act**. A Project using HOME funds for construction or rehabilitation costs of 12 or more Units must comply with the obligation to pay local prevailing wages as required by the Davis-Bacon Act and Related Acts.
(2) **Build America Buy America Act.** HUD has delayed the application of the Build America Buy America Act (BABAA) to HOME-funded projects but Applicants intending to use HOME funds for the purchase of a Project's iron, steel and other construction materials should monitor HUD's plan for phasing in BABAA. For more information on specific requirements and the timeline for rolling out these requirements, please see https://www.hud.gov/program_offices/general_counsel/BABA
(3) **National Environmental Policy Act.** HOME-funded Projects must comply with the National Environmental Policy Act (NEPA). DOH is the Responsible Entity for certifying a Project's compliance with NEPA to the U.S. Department of Housing and Urban Development. A Project that receives an award of funds that triggers NEPA must immediately cease all "choice-limiting" activities until the NEPA clearance is received from HUD.

Recipients of HOME funds must also comply with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

IV. HOME-AMERICAN RESCUE PLAN (HOME-ARP)

A. Legal Authority for the Award of HOME-ARP. The San Mateo County HOME Consortium received a one-time award of federal housing funds under the HOME-American Rescue Plan (HOME-ARP) Program, pursuant to the 2021 American Rescue Plan Act. In March 2023, HUD approved San Mateo County's HOME-ARP Allocation Plan which would dedicate approximately $4,403,212 of HOME-ARP funds to the construction of permanent affordable rental housing for the HOME-ARP "qualifying populations" with a preference for people experiencing homelessness. HOME-ARP requirements are found at 21-CPD-10 and San Mateo County's HOME-ARP Allocation Plan is available on the DOH website.

B. Conditions of HOME-ARP Funding. New Construction Rental (NCR) Projects are eligible to use HOME-ARP funds. HOME-ARP funds can generally be used for the same costs as HOME funds except that, in contrast with the HOME program, which limits the amount of funds that can be used to capitalize an operating subsidy reserve, HOME-ARP funds may be used to capitalize an operating subsidy reserve (COSR) in an amount needed to cover projected operating deficits for the entire period of the HOME-ARP Unit restrictions.

HOME-ARP Units are restricted to occupancy by four Qualifying Populations: households experiencing Homelessness, households At Risk of Homelessness; households fleeing or attempting to flee domestic violence, sexual assault, dating violence, and human trafficking; and specific populations at greatest risk of housing instability. The San Mateo County HOME Consortium's HOME-ARP Allocation Plan calls for all four Qualifying Populations to be eligible for the HOME-ARP Units, but for a preference to be granted for people experiencing Homelessness. This Homelessness preference is not limited to referrals from the County's Coordinated Entry System (CES).

Like HOME funds, HOME-ARP funds restrict specific HOME-ARP Units. HOME-ARP restricts rent for HOME-ARP assisted Units to the Very Low-Income level of affordability. However, because of the ability to use HOME-ARP funds for a longer-term Capitalized Operating Subsidy Reserve than is possible under the HOME program, DOH encourages applications that would use HOME-ARP funds to create a Capitalized Operating Subsidy Reserve that would support more deeply affordable Supportive Housing Units than the Very Low Income affordability level required by HOME-ARP.

Under the terms of the HOME-ARP Allocation Plan, DOH expects to award between $150,000 to $200,000 in HOME-ARP funds per HOME-ARP Unit as needed to support more deeply affordable Units for the Qualifying Populations, and there is no Project maximum except for the total amount of HOME-ARP funds available ($4,403,212).

HOME-ARP funds must be fully expended within four years of the award and in no event later than September 30, 2030. Deposit of funds in a COSR will meet this expenditure requirement subject to specific conditions.

C. Significant Federal Requirements that Apply to HOME-ARP-funded Projects

DOH has incorporated a number of federal requirements in its standard Loan Agreement for an award of Measure K funds. However, there are some federal restrictions that are not incorporated in the County's standard Loan Agreement but apply because of the Project's use of HOME-ARP funds. These include but are not limited to:

(1) **Davis-Bacon Act**. A Project using HOME-ARP funds for construction or rehabilitation costs must comply with the obligation to pay local prevailing wages as required by the Davis-Bacon Act and Related Acts.
(2) **Build America Buy America Act.** HUD has delayed the application of the Build America Buy America Act (BABAA) to HOME-ARP funded projects but Applicants intending to use HOME-ARP funds for the purchase of a Project's iron, steel and other construction materials should monitor HUD's plan for phasing in BABAA. For more information on specific requirements and the timeline for rolling out these requirements, please see https://www.hud.gov/program_offices/general_counsel/BABA.
(3) **National Environmental Policy Act.** HOME-ARP-funded Projects must comply with the National Environmental Policy Act (NEPA). DOH is the Responsible Entity for certifying a Project's compliance with NEPA to the U.S. Department of Housing and Urban Development. A Project that receives an award of funds that triggers NEPA must immediately cease all "choice-limiting" activities until the NEPA clearance is received from HUD.

Recipients of HOME-ARP funds must also comply with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

V. RDA Housing Trust Fund

A. Legal Authority for the Award of RDA Housing Trust Fund

In 2013, the San Mateo County Board of Supervisors launched the Affordable Housing Fund by making available Low-Income Housing Trust Fund dollars remaining at the time of the state's dissolution of the Redevelopment Agencies in California. 75% of these funds were to be awarded to affordable rental housing projects located in cities that once had a Redevelopment Agency. Due to projects not claiming amounts reserved for them, there remains a balance of $2.2 million from this source.

B. Conditions

Conditions on the use of RDA Housing Trust Fund proceeds include:

(1) Homeownership projects are **not** an Eligible Project type for the RDA funding.
(2) Affordable rental projects must be **located in a city that once included a Redevelopment Agency** except that “small-scale” rental projects designed wholly for special needs populations are not required to in city that once included a Redevelopment Agency.
(3) A percentage of the Units in an affordable rental Project must be targeted for people experiencing homelessness or other special needs populations.
(4) Funds must be spent within five years of an award.

The following cities in San Mateo County previously had a Redevelopment Agency:

- Belmont
- Brisbane
- Daly City
- East Palo Alto
- Foster City
- Menlo Park
- Millbrae
- Pacifica
- Redwood City
- San Bruno
- San Carlos
- San Mateo
- South San Franciso

Appendix C

Over-the-Counter NOFA Process for Re-Programmed Funds

Other than Federal Funds (CDBG, HOME and HOME-ARP)

A. Definition of Re-Programmed Funds. Excluding any federal funds (CDBG, HOME, and HOME-ARP), Re-Programmed Funds include:

(1) funds awarded through this AHF 11 NOFA process or a prior NOFA process that are recaptured by DOH more than thirty days before the scheduled AHF 12 NOFA as a result of AHF award conditions or Project cost savings; and

(2) funds that are made available through this AHF 11.0 NOFA but are not awarded to Projects.

If any federal funds (CDBG, HOME, or HOME-ARP) need to be re-programmed, a separate over-the-counter process, with different eligibility criteria, will be pursued. Applicants to AHF 11 will be notified of this opportunity.

B. Awarding of Re-Programmed Funds. Re-Programmed Funds will be distributed by an over-the-counter NOFA ("OTC NOFA") that will open upon DOH's receipt of Re-Programmed Funds and close the earlier of (1) Re-Programmed Funds being fully awarded, or (2) one month before the release of the next AHF NOFA. ("OTC NOFA Noticing Period"). DOH staff will accept, review, and award OTC NOFA applications throughout the OTC NOFA Noticing Period.

C. Eligible Projects. A Project is eligible for the OTC NOFA for Re-Programmed Funds if

(1) the Project is an Eligible Project type as defined by the AHF 11 NOFA,

(2) the Project qualifies for the maximum number of competitive points available under any one of the following AHF 11 NOFA Competitive Points categories: Location, Leveraging, Affordability, or Supportive Housing, Farmworker Housing, and Large-Family Projects.

(3) the Project has received an award from the AHF 11 NOFA, the AHF 10 NOFA, the AHF 9 NOFA, or DOH's federal funding NOFA released December 2021; and

(4) at least one of the following urgency conditions applies:

(a) All or a portion of the available Re-Programmed Funds would be sufficient to make the Project competitive for a funding application with a deadline before the expected award date of the next AHF NOFA and with an award of all or a portion of the available Re-Programmed Funds, the Project would have no need to apply for the next AHF NOFA or other County NOFA; **or**

(b) The Project's construction close of escrow is scheduled to take place before the expected award date of the next AHF NOFA and all or a portion of the available Re-Programmed Funds would be sufficient to enable the construction close of escrow to occur before the expected award date of the next AHF NOFA.

D. Form of Application. The Applicant may re-submit a previous application with attachments, provided all information is updated to reflect material changes since the application was last reviewed. The application shall include a cover letter explaining how the conditions of eligibility for the OTC NOFA set forth in Section C above have been met, identifying and providing evidence of the changes since the last application, and stating the amount requested and the rationale for that amount.

E. Amount of Award. The award of any available Re-Programmed Funds shall be limited to the amount needed to fill the gap that creates an urgent need as described in Section C.4 above, up to the available funds. DOH shall review the materials submitted by the Applicant to assess the Applicant's statement of the amount needed and determine the amount of the award in its sole discretion. DOH may decline an OTC application where the remaining available Re-Programmed Funds would not contribute to closing the entire funding gap for the Project before the expected date of the next AHF NOFA.

F. Evaluation of Applications for OTC NOFA Re-Programmed Funds. OTC NOFA Applications will be reviewed and evaluated in the order received. Complete applications that meet the conditions of eligibility set forth in Section C above but are received on the same day will be prioritized based on the evidence of greater urgency, as described in Section C.4.

APPENDIX D
LOAN TERMS, REGULATORY AGREEMENT, UNDERWRITING POLICIES AND COMPLIANCE MONITORING

A. Loan Terms. In addition to the Regulatory Agreement described in Section B below, an award of funds under this AHF 11 NOFA shall be evidenced by a Loan Agreement and a Promissory Note secured by a nonrecourse Deed of Trust which may in DOH's sole discretion be subordinated to other financing necessary for the development of the Project.

(1) Interest and Residual Receipts.

(a) The Loan Agreement is expected to provide for the Promissory Note to accrue simple interest at a rate of 3% annually. Interest accrued on any loan disbursements made prior to construction closing will be deferred and added to the construction loan balance. Interest accrued during construction will be deferred and added to the loan balance at the permanent loan closing.

(b) The AHF Loan Agreement will require annual loan payments to DOH in an amount not less than 50% of the Project's Residual Receipts for a term of 55 years from the Project's completion date. As further defined in the loan documents, Residual Receipts refers to the net cash flow after payment of annual operating expenses, required reserve deposits, debt service payments, and current year Partnership Management fees and Asset Management Fees in amounts approved by DOH.

(c) When the Project includes other public sector or nonprofit subsidy lenders whose loans are also repayable from Residual Receipts, DOH expects that two-thirds (66.67%) of any Residual Receipts (rather than 50%) will be allocated to such subsidy lenders who will share in that portion of the Residual Receipts in proportion to each subsidy lender's respective loan amounts. DOH must be included in any negotiations of the distribution of Residual Receipts with other subsidy lenders, the results of which will be documented in an Intercreditor Agreement among all the affected subsidy lenders.

(d) Any remaining Residual Receipts may be distributed to the Borrower. The Borrower's share of Residual Receipts is the sole source of payment of deferred Developer Fees, deferred Partnership Management fees, deferred Asset Management fees and any incentive fees.

(2) Limits on Disbursement. Funds may be drawn for pre-development, acquisition, construction, and permanent financing, but no funds will be disbursed until all required loan documents have been executed. In addition:

(a) Until the Applicant (or Borrower) acquires title to the real property and may convey a Deed of Trust to secure the AHF 11 Promissory Note and record a Regulatory Agreement as described in Section B below, DOH may in its sole discretion accept as security for its loan a security agreement conveying an interest in the Project's architectural and engineering agreements, plans, drawings, and construction agreements, drawings, and documents. The Borrower shall secure the written consent of the affected independent contractors to the security agreement, and a UCC-1 notice shall be required.

(b) In no event will the disbursement of funds committed to a Project exceed 3% of Total Development Costs ("TDC") until the Borrower (I) provides evidence to DOH that the Project is fully entitled and (ii) is able to convey a Deed of Trust to secure repayment and record a Regulatory Agreement as described in Section B below.

(3) Termination of Award Letter or Loan Agreement. An AHF Award Letter or Loan Agreement is subject to termination in DOH's sole discretion for the Borrower's failure to meet any required conditions on the approved schedule and in any event if construction of the Project has not commenced within six years of the Award Letter Date. After closing of the construction loan, the loan is subject to termination if construction has not been completed and the construction loan converted to a permanent loan within three years of the construction loan closing. Funding commitments for HOME, HOME-ARP, and CDBG have more restrictive funding deadlines as described in Appendix B. In the event of any termination, DOH may utilize the rights and remedies granted to it by the AHF Loan Agreement, Promissory Note, Deed of Trust, Security Agreement or other loan documents.

(4) Misrepresentations or Material Changes. Any changes in the borrowing entity or the Project design, unit count, unit configuration, population served, income targeting, development timeline, or financing plan for the Project are subject to DOH's prior approval and without such prior approval will result in termination of DOH's loan commitment. Any material misrepresentation made with respect to the borrowing entity or the Project is grounds for immediate termination by DOH without providing an opportunity to cure.

B. Regulatory Agreement. As a condition of the loan of AHF funds, the Borrower shall execute and record a Regulatory Agreement in favor of DOH in a senior lien position, which imposes long-term income, rent, unit size, and target population restrictions on the Project's AHF-Restricted Units and authorizes DOH specifically to enforce performance of those restrictions, as set forth in the AHF Award Letter and subsequently included in the AHF Loan Agreement. As described in Section B.5 below, Units designated as HOME Units or HOME-ARP Units may be restricted by a program-specific Regulatory Agreement, but at the end of the term of such program-specific Regulatory Agreement, those Units shall then be subject to the primary DOH Regulatory Agreement.

(1) Total Number of Restricted Units. Subject to any limitations imposed by federal or state requirements,, the Regulatory Agreement shall restrict 100% of a Project's Units as AHF-Restricted Units. As set forth in the Award Letter, Units shall be restricted at the income and rent levels for different Unit sizes and for different tenant populations.

(3) Floating Units. Among other terms, the Regulatory Agreement shall describe how the number and type of AHF-Restricted Units will be maintained over time by designating Units as "floating units". Floating units allow a tenant whose income has increased above the original qualifying income level to remain in their Unit and the property manager to designate another Unit to fulfill the applicable income category. For example, when an Extremely Low-Income Unit is occupied by an Extremely Low-Income household whose income later increases, the household shall be allowed to continue to occupy the Unit. When the household's income reaches Very Low Income, the next available vacant Unit at the Project of the same size shall then be restricted to be affordable to Extremely Low-Income households, and the household whose income increased shall be allowed to continue to occupy their original Unit, which shall then be designated a Very Low-Income Unit.

(4) Seniority of the Regulatory Agreement. Unless DOH grants an exception in its sole discretion to facilitate the Borrower securing another long-term, low-interest, deferred payment public sector or nonprofit subsidy loan, DOH's Regulatory Agreement shall be recorded in a first lien position senior to any other liens, including any conventional first mortgage, and shall authorize DOH specifically to enforce the restrictions of the Regulatory Agreement for the term of the Regulatory Agreement. DOH in its sole discretion may consider a request by a conventional first mortgage lender to amend its

Regulatory Agreement to allow a specific increase in a Project's income and rent restrictions up to 60% of Area Median Income in the event of foreclosure if DOH determines that this modification would facilitate the Project benefiting from a conventional first mortgage loan.
(5) Term of Regulatory Agreement. The Regulatory Agreement must be recorded when the Borrower acquires title to the real property and not later than the Project's construction loan closing. If the Regulatory Agreement is recorded after an existing lien, the lienholder must agree to subordinate the existing lien to the Regulatory Agreement so that the seniority of the Regulatory Agreement is maintained. The Regulatory Agreement shall expire 55 years from the date of Project completion. However, restrictions required by certain federal funding sources (HOME or HOME-ARP) for Units assisted by such funding may be limited by a Regulatory Agreement with a term less than 55 years. Upon expiration of the shorter term of any HOME or HOME-ARP Regulatory Agreement, those Units shall then become AHF-Restricted Units for the balance of the 55-year period of AHF restrictions.

(6) Specific Performance of the Regulatory Agreement. The Regulatory Agreement will authorize specific performance by DOH until the Regulatory Agreement expires 55 years from the date of the Project's completion, even if the DOH Promissory Note is canceled and the Deed of Trust is re-conveyed and even if the Borrower is in default of any other note and deed of trust such that the lien of the DOH Deed of Trust is foreclosed.

(7) Tenant Protections: DOH's Regulatory Agreement will require that tenants be offered an initial one-year lease term, and Projects utilizing CDBG, HOME and HOME-ARP funds must renew leases for one-year terms. Leases shall be subject to "just cause" eviction and tenants shall be protected from waiver of their rights. Tenants shall be afforded the protection of the Violence Against Women Act (VAWA) and the Right to Report from Home law even if the Project does not benefit from a federal housing finance program.

(8) Local Live-Work Preferences. DOH's Regulatory Agreement will allow for the implementation of city-imposed live-work preferences in filling vacant Units only under the following conditions. DOH's prior approval is required for any city-imposed live-work preference, and after reviewing the demographic analysis of the live-work preference area compared to the demographic analysis of the Project's housing market area, DOH will not approve a city-imposed live-work preference unless it has been determined to comply with Fair Housing requirements. Furthermore, DOH will not approve a city-imposed live-work preference for:
(a) any HOME-assisted or HOME-ARP-assisted Units or
(b) any Units benefiting from Project-Based Vouchers or other county rent subsidy program or
(c) any Units required to be filled from a specific county referral program.
Subject to these exclusions, DOH's Regulatory Agreement will allow implementation of a city-imposed live-work preference on a percentage of the Project's total Units equal to the city's percentage of the sum of the city and county financial contributions to the Project. In calculating the city's financial contribution to the Project, donations or below-market-rate sale or leasing of land and the waiver of city development or impact fees shall be counted.

(9) Enforcement of Homeowner Resale Restrictions. In the case of a First Time Homeownership Project, DOH shall in lieu of a Regulatory Agreement have the right to review and approve the terms of a thirty-year re-sale restriction proposed to be included in the conveyance of homes to first-time homebuyers to ensure continued affordability of the home for Moderate Income households for at least 30 years. Draft homebuyer legal documents shall be submitted to DOH for its review and approval prior to any disbursement of funds. DOH shall have the right to enforce homebuyer resale restrictions if it determines that the Applicant has ceased operations or no longer monitors and enforces the re-sale restrictions.

C. Underwriting Policies. DOH has adopted the following underwriting policies for affordable rental Projects and may apply different policies for First Time Homeownership Project Projects. The proposed sources and uses of funds, operating expense budget, and 30 year cash flow projections submitted by the Applicant for the Project under the AHF 11 NOFA shall conform to these underwriting policies.

(1) Tax Credit Investment Ratio. The expected investment for each dollar of tax credit investment shall be reasonable in DOH's judgment, ranging from not less than $.85 to $1.00 per dollar of credit.

(2) Debt Service Coverage Ratio of 1.15. The Project must demonstrate annual net operating income after payment of operating expenses that equals or exceeds 115% of debt service on all debt that requires fixed payments of principal and interest (not payable from Residual Receipts).

(3) Vacancy Rate. The Project must be financially feasible assuming a vacancy rate of 5%, which may be increased depending on the percentage of Supportive Housing Units in the Project but in no event more than 10% for a Project which is 100% Supportive Housing Units.

(4) Wage Assumptions. State prevailing wage rates and San Mateo County Living Wage requirements shall be satisfied, except that, if higher than state prevailing wage rates or local Living Wage rates, Davis Bacon wage rates will apply to a Project if required by specific federal financing programs described in Appendix B.

(5) Minimum Operating Expenses. The Project's operating expense assumptions must be reasonable and satisfy CTCAC minimum requirements based on type of Project.

(7) Lease-Up Expense and Marketing Expense. A reasonable expense for negative cash flow during the initial lease-up period of the Project should be included in the sources and uses of funds, with an explanation of the assumptions used to estimate this amount. Marketing Expenses may be charged to County sources of funds up to a reasonable amount as determined by DOH in its sole discretion but should be documented in a separate line item and not used to calculate negative cash flow during lease-up.

(8) Loan to Value Ratio: Loan proceeds for site acquisition shall not exceed 100% of current appraised value.

(9) Developer Fees. Developer Fees are defined to include all the categories of fees in the CTCAC definition of Developer Fees (Section 10302). In addition:
(a) The amount of Developer Fees may not exceed the maximum allowed by CTCAC for either a 9% LIHTC Project or 4% LIHTC Project as applicable. (See, 25 CCR Section 8312.)
(b) In the case of Projects not utilizing Low-Income Housing Tax Credits, the Developer Fees shall be reasonable in DOH's discretion comparing the Project to similar projects of that size and type.
(C) DOH expects to approve the following Developer Fee payment schedule: 25% at commencement of construction; 25% during construction; and 50% after six months of stabilized occupancy.
(d) Any Developer Fee deferred for the purpose of paying other development costs is limited to the amount allowed to be deferred by CTCAC and the period of deferral allowed by CTCAC. Any portion of

the Developer Fee approved for deferral will be paid from the Borrower's share of Residual Receipts but only during the approved period of the deferral.

(10) Partnership Management, Asset Management and Similar Partner Fees. Partnership Management, Asset Management and similar Partner Fees are allowed for rental Projects that are financed with Low Income Housing Tax Credits, but the amount of such fees must be reasonable in DOH's discretion considering the size of the Project and in any event may not exceed in the aggregate $38,000 annually beginning in calendar year 2023 and increasing at a rate of 3.5% annually thereafter. Partnership Management, Asset Management and similar Partner Fees are payable from the current year's net cash flow remaining after payment of other operating expenses, deposits to reserves and debt service payments. Any amount that is unable to be paid in the current year shall accrue and be deferred for payment in a subsequent year solely from the Borrower's share of Residual Receipts. Any Partnership Management fees, including any accrued and unpaid fees, shall terminate when the limited partner investor withdraws from the partnership unless the Borrower establishes to DOH's reasonable satisfaction that continuing duties not related to tax credit compliance justify continued payment of the fee.

(11) Property Management Fees. Property Management Fees are allowed for rental Projects and may not exceed HUD's most current published schedule (basic rate plus any applicable add-ons). DOH may approve a higher property management fee for Supportive Housing Projects, not to exceed the HUD maximum (24 CFR Part 990).

(12) Annual Increases of Income and Operating Expenses. The Project must be financially feasible allowing for annual increases of income and operating expenses (not including reserves, debt service, deferred Developer Fees, Partnership Management Fees, Asset Management Fees, other incentive payments). In general, income is expected to increase at a rate of 2.5% annually, and operating expenses are expected to increase at a rate of 3.5% annually. Partnership Management Fees, Asset Management Fees, and any incentive payments are not included in operating expenses and shall not increase at a higher rate than 3% annually.

(13) Payment and Performance Bond. DOH requires a Payment and Performance Bond issued by a company acceptable to DOH in the amount of one hundred (100%) percent of the construction contract amount naming the Borrower and Lender as dual obligees; or a letter of credit issued by a bank acceptable to DOH in an amount equal to ten percent (10%) of the amount for which Contractor has agreed to complete the Project which shall not expire prior to the substantial completion of the Project.

(14) Capitalized Operating Reserve (COR). All rental Projects shall provide for a Capitalized Operating Reserve equal to the sum of three months of operating expenses and three months of debt service unless the senior lender imposes a requirement for a higher Capitalized Operating Reserve.

(15) Capitalized Operating Subsidy Reserve (COSR). DOH may approve an additional Capitalized Operating Subsidy Reserve (COSR) as an Eligible Cost in order to facilitate a greater number of Extremely Low-Income or Supportive Housing Units than the number required to meet Threshold Requirements. The COSR shall be in addition to the COR required of all rental Projects and shall be sized for a fifteen or twenty year term, assuming rents not higher than for Extremely Low-Income households. If some Units are designated for Acutely Low Income households, the COSR shall be sized accordingly. The COSR funds shall be held in an interest-bearing account with interest re-invested in the COSR, granting DOH the sole right to approve annual requests to draw on the funds in the COSR. Any balance in the COSR at the expiration of its term shall be maintained solely to benefit the Project or be returned to DOH and may not be distributed to partners when the invested limited partner exits from the Project.

(16) Capital Replacement Reserves. All rental Projects shall provide for a reserve for capital replacements of the Project improvements in an amount of $500 per Unit per year, and any changes to the amount deposited into this replacement reserve shall require DOH approval. Exceptions may be granted to address the requirements of other lenders or investors in the Project. Replacement reserve deposit amounts for rehabilitation Projects must be based on a twenty- year physical needs assessment of the Project, after accounting for the balance of any existing reserves.

(17) Loan Origination Fee. DOH will charge a loan origination fee of one and one-half percent (1.5%) of the total amount of Measure K funding provided through the AHF 11 loan which must be paid in full at the time of the construction loan closing.

(18 DOH Legal Counsel Fees. TDOH's legal counsel fees are an eligible Project expense which shall be paid from the Project construction loan closing proceeds or permanent closing. Such fees shall not exceed $50,000, depending on the size and complexity of the Project and the number of financing sources provided by DOH. DOH will provide Borrower with an estimate of its legal counsel expenses upon request.

(19) General Contractor General Conditions, Overhead and Profit. The cost of General Conditions, Overhead, and Profit shall together not exceed more than 14% of the cost of construction as limited by CTCAC (Section 10327(c)(1). In addition, if the general contractor for construction of the Project is a related entity to the Applicant or Borrower or any member of the Applicant Team, this relationship must be disclosed to DOH for DOH's assessment of the reasonableness of the budget for general conditions, overhead and profit and other terms and conditions.

(20) Insurance Requirements. During development, comprehensive general liability and property insurance coverages must be maintained in a minimum amount of $2 million. DOH will also require property damage or builder's risk insurance with coverage equal to 100% of the replacement costs of the improvements, and a lender's loss payable endorsement in favor of DOH. Construction contractors will be required to maintain liability and builder's risk insurance coverage of at least $2 million. Automobile insurance, professional liability, workers' compensation, and employer's liability insurance shall also be maintained by all members of the Applicant Team, including the Managing General Partner, the Property Management company, and the Supportive Services agency.

(21) Contingency. Funds for contingency may be budgeted as follows:

(a) Hard Costs: (I) For New Construction, a minimum of 5% and a maximum of 10% of hard costs. (ii) For rehabilitation, a minimum of 10% and a maximum of 15% of hard costs.

(b) Soft Costs: A minimum of 3% and a maximum of 10%, with higher amounts allowed during the early stages of a Project, with the expectation that the contingency will decrease as the timeline approaches construction loan closing.

(c) Excess Contingency: Any balance of contingency funds remaining at the permanent loan conversion must be split among the lenders on the same pro rata basis as excess construction proceeds.

D. Reporting, Compliance Monitoring and Loan Servicing. An award of AHF 11 funds is subject to a detailed program of reporting, inspections and compliance monitoring, including regular written reports, expenditure reports, and onsite inspections of the Project and Project records.

(1) Reporting Start Date. Borrower shall submit quarterly progress reports from the date of the Borrower's acceptance of the Award Letter under this AHF 11 NOFA until the completion of the new construction/rehabilitation work. DOH shall supply the reporting forms for such quarterly progress reports, which are expected to be completed in CDS. This reporting is necessary for DOH to monitor progress and changes in the Project, and failure to comply with quarterly progress reporting is grounds for DOH to terminate its commitment.

(2) Loan Draws and Change Orders. Requests for reimbursement of expenses authorized under the executed Loan Agreement shall be made quarterly using the forms supplied by DOH, which are expected to be completed in CDS. DOH must be notified in advance of any change order that will exceed $100,000. In addition, the Borrower must request DOH's prior approval of any construction change order greater than $25,000 in the case of any Project in which DOH is the sole construction lender or its loan amount is 50% or more of the TDC.

(3) Monitoring During Construction/Rehabilitation. DOH reserves the right to undertake periodic monitoring of the Project during the construction/rehabilitation period for AHF program compliance, including site visits. Borrower shall be given adequate notice of any monitoring.

(4) Monitoring and Reporting for MBE/WBE and Section 3 Compliance. In furtherance of DOH's goals to promote the hiring of (1) MBE and WBE contractors, sub-contractors, and suppliers participating in the development of County-owned property and properties that benefit from County funding; and (2) promote the hiring of certain disadvantaged workers, the Borrower shall report on and DOH shall monitor efforts undertaken by Borrower to broaden the invitation(s) to contractors, subcontractors, and suppliers to submit bids for the Project so that invitation(s) are inclusive of MBEs and WBEs, and to promote the hiring of disadvantaged workers (such as by advertisement of available job contracts at trade unions, non-profit organizations, public sites, including County public sites, job training sites, community colleges, etc.).

(5) Monitoring and Reporting during Lease-Up. The Borrower is required to submit for DOH's prior approval a Marketing Plan and Tenant Selection Plan at least six (6) months prior to the projected date of construction completion. The Marketing Plan shall include advertising the Project on the County's Doorway website both to list the Project and to gather tenant applications for the Project subject to any additional outreach and referral mechanisms necessary to serve the population targeted for the Supportive Housing Units. Any provision of the Tenant Selection Plan which implements a city-required resident preference is subject to DOH's prior review and approval of its Fair Housing impact. In addition, DOH will generally limit the application of any city-required residency preference to a percentage of the Project's total Units equal to the city's percentage (including donated land value, loans of city funds, and city fee waivers) of the Project's total city and County funds. During the marketing and lease-up period and continuing after the Project's lease-up, DOH may request reports or ask to review Project records to verify compliance with these marketing and tenant selection requirements.

(6) Monitoring and Reporting During Operations. DOH will undertake periodic monitoring of the Project for AHF program compliance and the Borrower shall be required to submit certain annual reports.

(a) Monitoring may consist of reviewing documents and records related to tenant income, occupancy of targeted Units by qualifying populations, funding for and delivery of on-site resident services and service coordination, ongoing compliance with the Marketing Plan and the Tenant Selection Plan, and information relevant to the financial condition of the Project to ensure long-term viability. The submitted documents must be sufficiently detailed for DOH to confirm whether the Project and the AHF-Restricted Units comply with the requirements of the Loan Agreement, the Promissory Note, the Deed of Trust, and the Regulatory Agreement.

(b) The Borrower shall submit an annual compliance report to DOH that will include a tenant roster listing household size, income, and rent for each tenant and showing compliance with any required targeting to special populations in an AHF-Restricted Unit. Additional categories of reporting may result from the use of certain federal funds. DOH shall review reports for compliance with the AHF program requirements, shall require the Borrower to correct violations of those requirements, and may request additional documentation from the Borrower.

(c) Annual financial reports shall be submitted based on an annual audit of the Project and showing the calculation of Residual Receipts.

(d) DOH may conduct periodic site visits to AHF Projects. During visits to rental housing projects, DOH representatives may interview the resident manager, review a sample of the on-site tenant files, inspect a sample of the Units of varying size and affordability, and tour the common areas and grounds of the Project.

(7) DOH Loan Servicing. After the Project is placed in service, DOH will assume all loan servicing tasks on behalf of the County. DOH charges an annual loan servicing and monitoring fee of $250 per AHF-Restricted Unit, capped at $5,000 annually for each Project, for the provision of these services. Among other requirements to enable loan servicing the Borrower must supply DOH with an annual Project audit which calculates and clearly presents the amount of Residual Receipt payments due to each lender. Failing to provide information that enables DOH to verify the calculation of Residual Receipts is an event of default.

(8) DOH Re-Subordination and Loan Re-structuring Fees. Should the Borrower request that DOH re-subordinate or re-structure its loan after the Project has been placed in service, DOH shall evaluate the impact of the request on the security of its Deed of Trust and the Borrower's ability to comply with the restrictions of the Regulatory Agreement and may grant or withhold its approval in the reasonable exercise of its discretion. In no event will DOH agree to any request that adversely affects the lien position of its Regulatory Agreement or the ability of the Borrower to continue to meet the restrictions of the Regulatory Agreement. Furthermore, as a condition of granting its approval, DOH may require that the remaining term of the Regulatory Agreement restrictions be extended for 55 years from the loan re-structuring closing. DOH shall charge Borrower a reasonable fee based on the size of the Project and the complexity of the request, but not less than $1,000, to be paid through the loan re-structuring closing.

County: SM County

264 Harbor Blvd., Bldg A
Belmont, CA 94002
Phone: (650) 802-5048

Help with this page

Return to Main Page

San Mateo County – Department of Housing
Application for AHF 11.0 Funds (May 2023)
Application Due Date: 4:00 p.m. Friday, June 2, 2023

Instructions: Please note that the Application includes some checkboxes and/or spaces for text to be inserted. For questions that require an attachment, the **Click to Upload** link will lead to a second page where all documents can be uploaded. Check your application carefully to make sure you have filled in all appropriate areas and provided all required, available, and applicable attachments.
If you are reapplying for a project that you have submitted a previous application for, please contact us at citydataservices@yahoo.com, so we can copy your previous applciation into this new application.

This Application consists of 6 sections as follows:

Click Here for the NOFA for this Application
Save and Continue

I. COVER PAGE

A. Project Summary

Project Name:	
Project Address:	City: Zip:
Type of Eligible Project:	☐ New Construction Rental (NCR) ☐ New Construction First-Time Homeownership (FTHO) ☐ Resyndication/Rehabilitation/Rental (RRR)
For which funding source is this project applying?	
☐ Measure K	
☐ CDBG	
☐ HOME	
☐ HOME-ARP	
☐ RDA Housing Trust Fund	
After making your selections above, Click Here **to format the remainder of the application based on your choices above.**	

Number of lines needed for APNs:

Parcel (APN)	Street Address	City

Jurisdiction with Planning Entitlements authority:	
Provide a one sentence project summary:	

Total Request Under this NOFA:	$0
Total Project Cost:	

B. Applicant/Project Sponsor Summary

Applicant/Project Sponsor Name:	
Borrower Name if different from Applicant/Project Sponsor Name:	
Applicant/Project Sponsor Address:	City: Zip:
Applicant/Project Sponsor Phone:	
Applicant/Project Sponsor Email:	
Applicant/Project Sponsor's Type of Entity:	○ Tax Credit LLC/LP ○ For Profit Entity ○ General Partnership ○ Non-Profit: Attach IRS Determination Letter for 501(c)(3) tax-exempt status (I.B1) **Click to Upload** ○ Other:

Applicant/Project Sponsor Federal EIN/TIN #:		**Applicant/Project Sponsor SAM/UEI #:**	
Borrower's Type of Entity if Borrower is different from Applicant/Project Sponsor:	◯ Tax Credit LLC/LP ◯ For Profit Entity ◯ General Partnership ◯ Non-Profit: Attach IRS Determination Letter for 501(c)(3) tax-exempt status (I.B2) Click to Upload ◯ Other:		
Borrower Federal EIN/TIN #:		**Borrower DUNS #:**	
Federal EIN/TIN Number IRS Letter (I.B3):	Click to Upload		

Project Sponsor Director			
Name:		**Title:**	
Phone:		**Email:**	
Project Manager			
Name:		**Title:**	
Phone:		**Email:**	
Finance Manager			
Name:		**Title:**	
Phone:		**Email:**	
Name of Person Authorized to Execute Legal Documents with the County for this Project			
Name:		**Title:**	
Phone:		**Email:**	
If other than Sponsor/Applicant/Project Sponsor, please explain:			

C. AHF 11.0 Funding Summary

Phase	Use	Amount to be Expended (from Award date)		Total Projected AHF 11.0 Funding Needed (C)
		0-12 Months (A)	13 Months-Completion (b)	
Predevelopment	Soft Cost			$0
	Acquisition			$0
Development	Soft Cost			$0
	Hard Cost			$0
	Acquisition			$0
	Developer Fee			$0
	Reserves			$0
	Total Funding Request:	$0	$0	$0

D. Projected Dates

Projected Construction Start:	
Projected Construction End:	

Save and Continue

II. APPLICANT INFORMATION

A. Developer Team Information.

Upload Attachment II.A, specifying the names, experience, and roles and responsibilities, of each Developer Team member. Indicate the percentage of time each person will work on the Project. (II.A1)

Click to Upload

Corporate Borrowing Resolution (II.A2):	Click to Upload
Borrower's Financial Statements for last 2 years (II.A3):	Click to Upload
Most recent completed final audit report available (II.A4):	Click to Upload
IRS Form 990 for most recent tax year (II.A5):	Click to Upload

B. Structure / Roles

Fill in the table below on your project development and post-development structure.

Project Role	Name of Entity & Relationship to Sponsor/Applicant
Sponsor/Applicant:	
Developer:	
Owner:	◯ Owner same as Borrower ◯ Owner is different from Borrower: ◯ Special Purpose Entity to be formed
Property Manager:	
Resident Services Agency:	
If Sponsor/Applicant is different from Developer, Borrower, or Owner, please provide a brief explanation here for how the parties are related:	

C. Experience and Capacity of Key Parties.

Briefly describe the experience and capacity of key project parties, including the Developer, Property Manager, and Resident Services Agency(s):

You have 5000 characters left.

Would this be your first affordable Project financed by San Mateo County DOH in the past three years? ○ Yes ○ No

Do you qualify as an Emerging Developer? ○ Yes ○ No

D. Ownership Structure. Please attach the existing/proposed ownership structure chart for the project. Attach as Attachment (II.D).
Click to Upload

Save and Continue

III. PROJECT INFORMATION & NARRATIVE

A. Project Description.
Provide a concise narrative below addressing the following areas:

1. Complete descriptive summary of the project including a description of targeted populations, general location of the Project, on-site amenities, number of units and AMI restrictions, projected construction start and completion dates, and a general description of the funding commitments:

You have 3000 characters left.

2. Please briefly describe the project's history leading to this request. Include such information as when site control was achieved; when the site was acquired or will be acquired; any previous requests for County funding (and whether successful); changes in the project since those requests were made; attempts to secure other financing; how the current project concept was conceived; and any other relevant information about the history of the project:

You have 3000 characters left.

3. Identify the specific NOFA strategic priorities from Section I of the NOFA Introduction Guidelines that your project meets:

Priority	Check	1-2 Sentence Description
Protect Existing Affordable Housing Stock	☐	
Support New Housing for Extremely Low to Moderate Income Households	☐	
Promote Sustainable Communities through Regional Coordination Efforts and Locating Housing Near Employment, Transportation and Services	☐	
Promote Equal Housing Opportunities	☐	
Promote Equity through Housing Policy and Investments	☐	
Require or Encourage Energy Efficiency, Resource Conservation, and Climate Resiliency Design in New and Existing Housing	☐	
Increase the Supply of Permanent Affordable Housing for People Experiencing Homelessness and other Vulnerable Populations.	☐	
Describe additional strategic priorities not listed above that your project meets (if applicable):		

4. Project Timeline. Submit a table (III.A4) which lists all major project milestones such as: entitlement submissions/approvals; financing submissions/approvals; tenant relocation; construction start/completion dates; 100% lease up; placed in service date, etc. The table should have three columns indicating the milestone, the status, and actual or projected approval/completion dates.
Click to Upload

Please see TCAC proposed Schedule and Deadlines

Briefly describe the major project milestones that have been accomplished to date, and remaining major milestones (and anticipated dates) until project completion:

You have 1500 characters left.

5. Is there a possibility that one or more of the milestones listed in your project timeline will be delayed or accelerated? Please explain why and the effect of this change on your overall project schedule.

You have 1500 characters left.

B. Project Amenities

Check	Amenity	Availability
☐	Service Provider Office / Meeting Space	Choose
☐	Community Garden	Choose
☐	Community Kitchen	Choose
☐	Community Room	Choose
☐	Computer Room	Choose
☐	Exercise Room	Choose
☐	Laundry Facilities	Choose
☐	Outdoor Rec Space	Choose
☐	Playground	Choose
☐	Other:	Choose
☐	Other:	Choose
☐	Other:	Choose
☐	Other:	Choose

Describe amenities that need further explanation (if applicable):

You have 1750 characters left.

C. Project Details.

1) # of Residential Buildings	
2) # of Stories	
3) # of Units	0
4) # of Parking Spaces (total)	
5) Parking Type (podium, surface, etc.)	Select
6) Total Livable Space (sq. ft)	SF
7) Amount of Community Space (sq. ft)	SF
8) Community Facility Space, if any, not Exclusively for Project Residents (sq. ft.) -- e.g. Senior Center, etc.	SF
9) Uses of Community Facility Space not Exclusively for Project Residents	
10) Amount of Commercial Space (sq. ft.)	SF
11) Uses of any Commercial Space	

D. Architectural Site Plan. Attach Site Plan, Elevations and Schematic Drawings (if available) (III.D)
Click to Upload

E. Relocation of Residential / Commercial Occupants.

○ No, relocation of occupants not required.
○ Yes, relocation of occupants required.

F. Proximity to transit, shopping, and services. Submit a map that shows amenities within a one-half mile and one mile radius of Project site (III.F).
Click to Upload

Please describe the Project's proximity to transit, shopping, and services, e.g. public transit options, shopping and other neighborhood services, and whether site is located in a walkable area:

You have 3000 characters left.

G. Accessibility. Please specify how you will address accessibility in both the residential units and overall project, including the number of ADA mobility units, and the number of ADA communication units:

You have 1500 characters left.

H. Access to Opportunity. Please select the Project's location in an Area of Opportunity as defined by CTCAC/HCD for 2023:

- ☐ **Highest Resource**
- ☐ **High Resource**
- ☐ **Moderate Resource**
- ☐ **Low Resource**

Save and Continue

IV. TENANT POPULATION

A. Proposed tenancy for the project.

1. Please provide a brief descriptive summary of the tenant population including the numbers and types of units targeted for special needs populations:

You have 1500 characters left.

2. Will this project qualify (as defined under the NOFA) as:

- **Supportive Housing Project** ○ **Yes** ○ **No**
- **Farmworker Housing Project** ○ **Yes** ○ **No**
- **Large Family Housing Project** ○ **Yes** ○ **No**

3. Targeted Populations for Supportive Housing and Agricultural Workforce		
Targeted Populations	**Number of Units**	**% of Total Resident Units**
Clients of County Services		
People experiencing Homelessness		
People at risk of Homelessness		
Chronically Homeless		
People Fleeing Domestic Violence or Human Trafficking		
People Facing Housing Instability (under HOME-ARP)		
Duals Demo (also known as Frail Elderly)		
People with Intellectual and Developmental Disabilities		
Former Foster Youth (also known as Transition Aged Youth or Youth Transitioning from Foster Care)		
Veterans (Homeless or At Risk of Homelessness)		
MHSA-eligible People		
HHC-eligible People		
Agricultural Workforce		
General Units (not targeted for a special population)		
Manager Unit(s)		
Total Units in the Project:	0	NaN%

4. Targeted Affordability		
Acutely Low Income (up to 15% AMI)		
Extremely Low Income (up to 30% AMI)		
Very Low Income (up to 50% AMI)		
Lower Income (up to 60% AMI)		
Low Income (up to 80% AMI)		
Median Income (100% AMI)		
Moderate Income (120% AMI)		
Not Income Restricted		

Manager's Unit(s)		
Total Units in the Project:	0	NaN%

Briefly summarize how specific targeted populations will occupy different unit sizes at different levels of affordability.

You have 1000 characters left.

Supportive Services

1. Quality of Proposed Services Plan:
Attach a brief description (one page maximum) of general resident services that the project will provide, including name of the service provider, brief description of specific services to be provided location where services will be provided, how residents will access services, frequency and length of time services will be provided, any monitoring of resident use of services, and any cost to residents. Also briefly describe the types of supportive services that are anticipated to be provided (on or off-site) to any targeted special needs populations (IV.B1). **Click to Upload**

2. Resident Services Budget (General and Special Needs)

	Number of Units	Total Annual Budget	Per Unit Per Annum
General Resident Services			
Services for Targeted Populations			

Supportive Services Budget: **Click to Upload**

3. Services Coordinator(s) (%FTE):

4. Commitment for Provision of Supportive Services
Attach any conditional commitments, or letters of intent, to provide supportive services that have already been obtained (if any). Supportive Housing Projects must provide an attachment here. (IV.B4). **Click to Upload**

5. How will Supportive Housing Services be paid for?

You have 1500 characters left.

C. Section 3 Requirements. Developers must comply with the federal Section 3 requirements of the Housing & Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3). Please briefly describe below whether Developer meets the Section 3 requirements by having either: (a) a Section 3 plan, or (b) a history of meeting Section 3 requirements (IV.C): **Click to Upload**

You have 1500 characters left.

Save and Continue

V. SITE INFORMATION

A. Site Location
Submit a site location map (V.A)
Click to Upload

B. Current Use of the Site. Briefly describe below the current use of the site:

You have 1500 characters left.

C. Property Information:

APNs	
Project Address:	
Census Tract(s):	**Find Census Tracts:** Click Here
Total acreage:	
Is the site, or any part of it, within a 100-year floodplain?	○ Yes ○ No FEMA Floodzone map If yes, explain:
FIRM Map number:	

Is the site within a Coastal Zone Boundary? ○ Yes ○ No

D. Status of Site Control. The Applicant must obtain an enforceable right to use a parcel of land for the proposed development prior to submission of this application.
Evidence of Site Control (V.D1) **Click to Upload**
Attach the Preliminary Title Report (V.D2) **Click to Upload**

1) Form of Site Control: (e.g. fee title, purchase agreement, ground lease, or enforceable option agreement)	
2) Dates of Any Key Expirations: (e.g. when an option agreement expires)	
3) Please describe the level of access and ability to disturb each parcel, granted to you by your site control document(s):	

E. Environmental. Please attach the following Environmental Site Assessments, if available:
Phase I (V.E3) **Click to Upload**
☐ Phase I is clean, no Phase II necessary.
Phase II (V.E4) **Click to Upload**
If Phase II was conducted, what were the results and what remedial actions are required, if any? Submit a Remedial Action Plan (if applicable), Attachment (V.E5): **Click to Upload**

You have 1500 characters left.

F. Appraisal
Do you have a recent appraisal obtained within the past 12 months on this property? ○ Yes ○ No
Estimated Land Value, based upon a minimum of three recent comparable sales
Submit documentation on the three comparables (V.F2) **Click to Upload**
Explain below when an appraisal will be obtained

G. Community Engagement Plan
Is the Project already entitled? ○ Yes ○ No
If no, click to upload a narrative description of the Community Engagement already undertaken or planned. **Click to Upload**

H. Land Use and Environmental Review
Is the intended use, density and height of the project allowed by the existing zoning for the site? ○ Yes ○ No
If yes, please upload any documents that show the zoning, any entitlement to ministerial review, and density bonus or height allowances under CA Density Bonus Law or a local ordinance. **Click to Upload**
If no, what is your plan for pursuing approval of any needed zoning changes?
Is this project exempt from CEQA: ○ Yes ○ No
If no, what is your timeline for obtain CEQA approval?
Is this project exempt from NEPA? ○ Yes ○ No
If no, what is your timeline for NEPA review?

I. Construction Bids and Cost Estimates
Have you obtained any preliminary construction cost estimates? ○ Yes ○ No
If yes, please upload any supporting information. **Click to Upload**
If no, please describe the reasons you think your estimate of construction costs and other costs in the development budget is reasonable.

Save and Continue

VI. PROJECT FINANCE
A. Funding & Sources

1. Previously Awarded County Funding for this Project:
Number of lines needed for Previous Funding Sources:

Funding Round	Amount

2. Anticipated Funding Sources - Enter the anticipated sources of capital funding for the Project for both construction and permanent financing periods. If commercial lender(s) is unknown, please type “Unknown”. As described in Section C.10, for any committed sources, attach commitment letters or other proof of committed sources. Should any sources contain affordability restrictions, please list the AMI and/or target population restrictions and the number of restricted units:

Indicate in this table the Funding Sources you anticipate for your Project
After completing this table, click the Update button to update for budget tables.

Type	Construction Sources	Permanent Sources
Commercial Loans		
Commercial	☐	☐
Type		
4% Tax Credit Equity	☐	☐
9% Tax Credit Equity	☐	☐
Deferred Developer Fee	☐	☐
Deferred Reserves	☐	☐
Developer Equity	☐	☐
FHLB AHP	☐	☐
New Market Tax Credits	☐	☐
HEART	☐	☐
San Mateo County		
Measure A/K	☐	☐
MTW	☐	☐
Redevelopment	☐	☐
MHSA	☐	☐
HOME	☐	☐
HOME-ARP	☐	☐
CDBG	☐	☐
CESH	☐	☐
Noncompetitive NPLH	☐	☐
City		
City CDBG	☐	☐
City HOME	☐	☐
City General Fund	☐	☐
City Redevelopment Fees	☐	☐
Other	☐	☐
State		
AHSC	☐	☐
ESG	☐	☐
HHC	☐	☐
MHP	☐	☐
MHSA	☐	☐
Competitive NPLH	☐	☐
PLHA	☐	☐
SHMHP	☐	☐
VHHP	☐	☐
Other	☐	☐
Federal		
HUD 108	☐	☐
HUD 202	☐	☐
HUD 811	☐	☐
Other	☐	☐
Other		
Other	☐	☐

Update Budget Tables

Construction Sources

Commercial Loan	Lender	Amount	Cost Per Dwelling Unit	Proof if Committed
Type		**Amount**	**$/DU**	**Proof if Committed**
San Mateo County		**Amount**	**$/DU**	**Proof if Committed**
San Mateo Cities		**Amount**	**$/DU**	**Proof if Committed**
State		**Amount**	**$/DU**	**Proof if Committed**
Federal		**Amount**	**$/DU**	**Proof if Committed**

Other	Lender	Amount	$/DU	Proof if Committed
Total				
Total should match Total Project Cost:		$0	from Part I.A	

Copy Construction to Permanent Click this button to copy all information from Construction Sources to Permanent Sources.
Values can be edited after copying

Permanent Sources

Commercial Loan	Lender	Amount	Cost Per Dwelling Unit	Proof if Committed
Type		Amount	$/DU	Proof if Committed
San Mateo County		Amount	$/DU	Proof if Committed
San Mateo Cities		Amount	$/DU	Proof if Committed
State		Amount	$/DU	Proof if Committed
Federal		Amount	$/DU	Proof if Committed
Other	Lender	Amount	$/DU	Proof if Committed
Total				
Total should match Total Project Cost:		$0	from Part I.A	

Tax Credit Type	Amount	Self Score (If round is within 1 year of this app, DOH requires self-score)	CTCAC/CDLAC Committee Meeting Date
☐ 4%			
☐ 9%			

3. Construction Bids/Estimates: Please attach copies of any construction bids/ estimates obtained.

4. Please describe how the requested AHF funding will allow you to move closer to construction closing. Describe how and when the funding will allow you to close (if applicable). If the funds do not directly lead to a construction start, describe the intended use of the funds and when you expect to utilize them.

You have 1500 characters left.

5. State Funding Programs. Please describe the applicability of each state funding program listed in the table below for the Project and the status of any state funding applications.

State Program	Applicability of Program for Project	Status of funding application, if applicable	Application Due Date/Anticipated Due Date [MM/DD/YYYY]
Infill Infrastructure Grant	○ Yes ○ No		
No Place Like Home	○ Yes ○ No		
Multifamily Housing Program	○ Yes ○ No		
Affordable Housing and Sustainable Communities	○ Yes ○ No		
Transit Oriented Development	○ Yes ○ No		
Veterans Housing and Homelessness Prevention	○ Yes ○ No		
Housing for a Healthy California	○ Yes ○ No		
Joe Serna Program	○ Yes ○ No		
Homeownership Program	○ Yes ○ No		
Other:	○ Yes ○ No		

6. Anticipated Financing Commitments (excluding State Funding Programs). Briefly describe below any anticipated financing commitments, including the projected timing of each commitment, and likelihood of receiving each commitment, provided by (a) the local jurisdiction or (b) another entity. [Note: you will need to provide financing commitment letters, if/when the source is later obtained, in Section VI.A(2) of this application]:

You have 1500 characters left.

7. Affordability Restrictions. If the County provides AHF funds to your project, an affordability term will be required as described in the NOFA Overview and Funding Guidelines. Describe below any affordability restrictions that will/may be imposed by other funding sources:

You have 1500 characters left.

8. Anticipated/ Approved Land Donation or Below-Market-Rate Land Provision. Project has anticipated or approved land donation, or provision of below-market-rate land transfer or ground lease, provided by (a) the local jurisdiction or (b) another entity.

○ Yes ○ No

9. Anticipated / Approved Cost-Saving Incentives from the Local Jurisdiction. The local jurisdiction with entitlement authority for the Project has provided, or is anticipated to provide the Project, one or more cost-saving incentives, such as fee reductions or waivers, by-right zoning, density bonus, parking requirement reduction, or other such cost-saving incentive.

○ Yes ○ No

10. Fees. Please complete the chart below by listing confirmed or anticipated fees to be paid. If a fee waiver or reduction has been granted, or anticipated, enter the fee amount with and without the reduction/waiver. If the fee does not apply to your project, please enter zero (0) for the applicable line item. If no waiver or reduction is anticipated for a given fee, enter the same amount in both columns. The sum of the fees listed in the "Amount with Reductions/Waiver" column should equate to the cost of the fees included in the Project development budget. Use the space below the table to explain any issues.

Fee	Amount of Fee	Amount of Fee Waived	Amount with Reductions/Waiver (to be paid)
Planning and Building Fees			
Plan Review Fee			$0
Permitting Fee			$0
Other Planning/Building Fee:			$0
Other Planning/Building Fee:			$0
Other Planning/Building Fee:			$0
Other Planning/Building Fee:			$0
Impact Fees			
Community Development Fees			$0
Drainage Facilities			$0
Facilities Assessment			$0
Fire Facilities			$0
General Facilities			$0
Governmental/Environmental			$0
Law Enforcement Facilities			$0
Library Facilities			$0
Parks & Recreation			$0
Public Facilities			$0
Schools			$0
Streets & Signals			$0
Traffic Fees			$0
Waste Water Collection			$0
Waste Water Treatment			$0
Water Facilities			$0
Other Impact Fee:			$0
Other Impact Fee:			$0
Other Impact Fee:			$0
Other Impact Fee:			$0
Other Impact Fee:			$0
	Total Fees Waived:	$0	
Comments / Issues:			

B. Budget.

1. Development Budget Narrative. Describe committed or anticipated construction and permanent sources, attempts to leverage County funds to the greatest degree possible, and considerations for including 4% or 9% tax credit financing scenarios for the Project. Include also a discussion of the applicability of Affordable Housing and Sustainable Communities funding for the Project. If multiple financing scenarios are currently under consideration, describe the variables, what information you expect will lead to the determination of the final financing plan, and your expectations for the outcome.

You have 1500 characters left.

2. Development Budget. Attach as Attachment (VI.B2), a Development Financial Proforma, including itemized development budget, construction and permanent sources and uses table, year 1 income projection with unit breakdown by AMI level and size, year 1 operating expense projections (including services), loan sizing worksheet, and tax credit assumptions with basis calculation and equity raise expectations. Please upload as an unlocked Excel document.

Click to Upload

3. Operating Budget. Attach as Attachment (VI.B3), a 30-year cash flow projection showing estimated project income, operating expenses (including services), reserves, debt service and distributions. Please upload as an unlocked Excel document.

Click to Upload

3a. What is the Year 1 Debt Coverage Ratio indicated in your Operating Budget?:

3b. If the Year I Debt Coverage Ratio indicated in your Operating Budget is greater than or less than 1.15, please provide an explanation:

4. Inclusionary Project. Is the proposed project a component of - or does it meet requirements for a commercial or other non-residential project for - an inclusionary housing requirement implemented by the local jurisdiction?

○ Yes ○ No

If 'yes' please attach a letter from the local jurisdiction regarding the inclusionary requirements applicable to the project and if/how the project proposes to exceed the inclusionary requirement of the local jurisdiction. Attach as Attachment (VI.B4)

Click to Upload

Save and Continue

Attachments

	If attachments are unavailable to upload, please explain when they will be available
☐ Proposed Homebuyer Loan Terms (I.A1)	
☐ Applicant IRS Determination Letter for 501(c)(3) tax-exempt status(I.B1)	
☐ Borrower IRS Determination Letter for 501(c)(3) tax-exempt status(I.B2)	
☐ Federal EIN/TIN Number IRS Letter (I.B3)	
☐ Development Team Information. (II.A1)	
☐ Corporate Borrowing Resolution authorizing submission of this funding application, OR an explanation of when you anticipate receiving such authorization (II.A2)	
☐ Borrower's Financial Statements for last two (2) years (II.A3)	
☐ Borrower's most recent completed final audit report available (II.A4)	
☐ Borrower's IRS Form 990 for most recent tax year (II.A5)	
☐ Evidence of Developer Experience. (II.C1)	
☐ Applicant Reference (II.C2)	
☐ Ownership Structure Chart (II.D)	
☐ Project Schedule/ Timeline (III.A4)	
☐ Architectural. Site Plan and Elevations, Schematic Drawing (III.D)	
☐ Relocation Plan (III.E)	
☐ Transit, Shopping, and Services Map. (III.F)	
☐ Not Required	
☐ Not Required	
☐ Quality of Proposed Services (IV.B1)	
☐ Supportive Services Budget	
☐ Commitment for Provision of Supportive Services (IV.B4)	
☐ HUD Section 3 Plan (IV.C)	
☐ Site Location Map (V.A)	
☐ Evidence of Site Control. (V.D1)	
☐ Preliminary Title Report (V.D2)	
☐ Not Required	
☐ Phase I (V.E3)	

☐ Phase II (V.E4)	
☐ Remedial Action Plan (V.E5)	
☐ Appraisal, obtained within the last 12 months (V.F1)	
☐ Recent Comparable Sales (V.F2)	
☐ Community Engagement Plan (V.G)	
☐ Land Use Documents (V.H)	
☐ Construction Estimates (V.I)	
☐ Not Required	
☐ Construction Commercial Loan	
☐ Construction Commercial Loan	
☐ Construction Commercial Loan	
☐ Other -	
☐ Other -	
☐ Other -	

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This application was prepared by:

Name: Title: Email:

Please check your application carefully before submission. All questions **must** be answered, and incomplete or missing answers will adversely affect consideration of your application.

☐ I/We certify that the information and statements submitted in and attached to this application, are true, accurate and complete to the best of my/our knowledge. I/We authorize the Department of Housing to verify any information pertaining to this application. I/We acknowledge and understand that if facts and/or information herein are found to be misrepresented, it may constitute grounds for rejection of the application or default of the allocation for which this application is being made.

Submit Application

This application must be filled out and submitted electronically.
Please fill in all applicable boxes above, enter your name, and click the "Submit Application" button

Save As Draft

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