



**County of San Mateo
Department of Housing
NOTICE OF FUNDING AVAILABILITY (NOFA)
AFFORDABLE HOUSING FUND 14.0
Applications Due by 4:00 pm Pacific Daylight Time
May 20, 2026**

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

Applications must be submitted online through OpenGov:
<https://procurement.opengov.com/portal/smcgov/projects/237858>

Applicants may review the NOFA without registering in OpenGov. However, applicants who want to submit an application must register online with the County of San Mateo at <https://procurement.opengov.com/portal/smcgov>

Questions regarding the content of the NOFA or application may only be submitted by navigating to the OpenGov application page for this NOFA and using the “Questions and Answers” tab.

For technical assistance with OpenGov registration or application submission, applicants should use the OpenGov Help Center at <https://opengov.my.site.com/support/s/contactsupport>, or email procurement-support@opengov.com

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.

Applicants must attend a pre-application meeting not later than April 30, 2026.

Released April 20, 2026

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I. INTRODUCTION

This Notice of Funding Availability (“AHF NOFA”) invites applications for low-interest, long-term, deferred-payment loans for Projects (as defined herein) from the fourteenth 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 thirteen cycles awarded more than \$400 Million in loans to create or preserve more than 5,000 affordable units. This AHF NOFA makes available certain local housing funds subject to the NOFA terms and conditions, additional program requirements summarized in Appendix B, and loan terms and underwriting policies in Appendix D. Capitalized terms are defined herein or in Appendix A.

Table 1: Summary of Funding Included in AHF NOFA as of April 20, 2026

Source	Amount
New Measure K funds (New \$19,000,000 and Recaptured \$5,247,311)	\$24,247,311.00
County Impact Fees (for unincorporated San Mateo County only)	\$100,000.00
Mental Health Services Act (MHSA) funds	\$5,000,000.00
Total Amount Available for AHF NOFA Awards	\$29,347,311.00

Department of Housing (DOH) reserves the right, after releasing this NOFA, to add, reduce, or withdraw funds in its sole discretion. Funds are further subject to appropriation and approval by the County Board of Supervisors. Applicants who participate in the required pre-application meeting will be notified when new funding sources are added or any announced funding sources are increased, reduced or withdrawn. The AHF NOFA does *not* solicit requests for Project-Based Section 8 Vouchers from the Housing Authority of the County of San Mateo (HACSM). **An application may not rely on, nor anticipate, an award of Project-Based Section 8 Vouchers unless supported by an existing HACSM award letter.**

The AHF NOFA is managed by the Housing and Community Development (HCD) division of 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 (as specified herein), competitively score and rank applications for 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 recommend awards to the San Mateo County Board of Supervisors, whose decisions are final.

The AHF 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:

- (1) Protect Existing Affordable Housing Stock
- (2) Support New Housing for Extremely Low to Moderate-Income Households
- (3) Promote Sustainable Communities through Regional Coordination Efforts and Locating Housing Near Employment, Transportation, and Services
- (4) Promote Equal Housing Opportunities
- (5) Promote Equity through Housing Policy and Investments
- (6) Require or Encourage Energy Efficiency, Resource Conservation, and Climate Resiliency Design in New and Existing Housing

The AHF 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 NOFA relies on defined terms set forth in Appendix A hereto and incorporates important information included in other Appendices. Applicants are expected to review and comply with the terms and conditions of this NOFA, including Appendix B, which describes restrictions associated with each available funding source, and Appendix D, which describes underwriting and loan terms with which the application must be consistent in order to meet Threshold Requirements. The Applicant and each member of the Applicant Team are bound by the Agreements, Acknowledgments, 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.

II. APPLICATION PROCESS

A. Timeline. As of the AHF NOFA Release Date, DOH plans to follow the timeline set forth below. Applicants should monitor the DOH website and the OpenGov platform for any subsequent schedule changes:

Table 2: AHF NOFA Timeline

Event	Date
Release Date	April 20, 2026
Technical Assistance (TA) Session (required)	April 23, 2026, 1:30 pm PDT
Deadline for pre-application meeting (required)	April 30, 2026, by 4 pm PDT
Last Day to Submit Questions to DOH via OpenGov	May 14, 2026
Application Deadline	May 20, 2026, by 4 pm PDT
Notice to Applicant that application did not meet Threshold	Not later than June 18, 2026
Deadline to Protest Finding that application did not meet Threshold	Before 4 pm PDT on the fifth business date after Notice date, but not later than June 25, 2026 by 4 pm PDT
Study Session—Housing & Community Development Committee	July 22, 2026
Public Hearing--Housing & Community Development Committee	July 29, 2026
Public Hearing—Board of Supervisors	August 25, 2026
Award Letter Date (expected)	September 1, 2026

B. Pre-Application Meeting. Before responding to this NOFA, all Applicants are required to schedule and attend a short pre-application meeting to introduce their Project to HCD staff. A pre-application meeting should be requested as soon as possible by emailing Jan Stokley at jstokley@smchousing.org. The individual pre-application meeting must take place by the deadline stated in Table 2. The Applicant must disclose at the pre-application meeting whether the Project results from an inclusionary housing ordinance and how an award of AHF NOFA funds would enable the Project to exceed the minimum affordability requirements of the inclusionary housing ordinance. In addition, for a Project in an incorporated city, the Applicant is asked to disclose at this pre-application meeting the name and contact information of city staff reviewing the Project for entitlement, funding, fee waivers or other city support.

C. Online Submission. For the Applicant's convenience, a PDF form of a checklist of required attachments to the OpenGov application is provided as Appendix E to this NOFA, but DOH will only accept online submissions. All sections of the AHF NOFA application must be completed using the online application in OpenGov Procurement, and all required attachments must be uploaded in OpenGov by the Application Deadline. The AHF NOFA application will be available in OpenGov under the County of San Mateo Department of Housing solicitations using the following link:

<https://procurement.opengov.com/portal/smcgov/projects/237858>

Applicants must register as vendors in OpenGov to access and submit the application. Applicants are encouraged to complete OpenGov registration in advance of the Application Deadline. If an Applicant encounters technical difficulties using OpenGov, it is the Applicant's responsibility to use the available OpenGov online technical assistance resources or email procurement-support@opengov.com.

Revisions, corrections, or clarifying information that are material to the submitted application and attachments will not be accepted after the Application Deadline unless DOH identifies a material omission or ambiguity in the NOFA or application form and notifies all applicants of a time-limited opportunity to submit additional information to address the omission or ambiguity.

D. Virtual Technical Assistance Session. Applicants are required to attend a virtual Technical Assistance (TA) session at the date and time set forth in Table 2. HCD staff will review the contents of the AHF NOFA with an emphasis on significant changes from the last NOFA and provide a brief introduction to the OpenGov Procurement platform. Applicants must attend using the following Zoom link:

<https://smcgov.zoom.us/j/95175785093>

Meeting ID: 951 7578 5093

E. Submitting Questions. Applicants may submit written questions about the NOFA until the deadline set forth in Table 2, using the Questions and Answers section of the OpenGov platform. Questions and answers will be posted periodically on the OpenGov platform, and it is the Applicant's sole responsibility to monitor the OpenGov Questions and Answers before the Application Deadline. Applicants may ask for assistance with the submission of the online application at any time up to the Application Deadline, but the Application Deadline will not be waived because of technical difficulties in submitting the completed application on the OpenGov platform.

F. Staff Review of Threshold Requirements. Upon receipt of an application in response to the AHF NOFA by the Application Deadline, HCD staff will review the application and uploaded attachments for completeness and to assess whether all Threshold Requirements set forth in Section IV below are satisfied. During the review of Threshold Requirements, HCD staff may, in their sole discretion, contact Applicants to request non-material clarifications that will confirm intent or resolve ambiguity in existing application content. Clarifications may not be used to supplement, expand, or cure material deficiencies except for any clarifications that all applicants are given the opportunity by DOH to submit because of a material omission or ambiguity in the NOFA or application itself identified by DOH in its sole and absolute discretion. In all other cases of missing or incomplete information, applications will be evaluated as submitted. In addition, HCD staff may determine that an application did not meet Threshold Requirements without requesting clarifications to the Applicant in advance of the determination. An Applicant will be

notified not later than the date set forth in Table 2 if the application was incomplete, was for an ineligible type of Project, or for other reasons did not meet a Threshold Requirement.

G. Protesting a Determination that Threshold Requirements Were Not Met. As further described in the NOFA’s OpenGov solicitation, the Applicant may protest the determination that an application was incomplete, was not for an Eligible Project type, or for other reasons did not meet a Threshold Requirement not later than the deadline set forth in Table 2. HCD staff will notify the Applicant of the outcome of the protest before the HCDC Study Session. If the protest is successful, as determined in HCD staff’s sole and absolute discretion, the application will be competitively ranked with other applications using the scoring criteria set forth in Section V below. If the protest does not successfully address the negative Threshold findings from the initial staff review, in HCD staff’s sole and absolute discretion, the Applicant will be notified before the HCDC Study Session, and the application will be terminated with no further appeal. HCD staff’s final determination that Threshold Requirements were not met is within their sole and absolute discretion and is not subject to further protest.

H. Scoring of Applications that Meet Threshold Requirements. HCD staff and selected reviewers will rank applications that met Threshold Requirements using the competitive scoring rubric set forth in Section V below. The final ranking and recommended award amounts, if any, also depend on the timing and amount of different Project funding needs, the eligibility of different Projects for different funding sources, and the most effective use of different funding sources for different Projects in light of expenditure deadlines and other funding requirements. Staff recommendations may include a recommendation for no funding, a different funding amount or source than that requested by the Applicant, and a recommendation for Project-specific award conditions, which, if not met, may subsequently result in termination of an AHF award to a Project. Application scoring data is not published or available on the OpenGov platform but may be requested through a Public Records Request.

I. HCDC Review and Recommendations. On the date set forth in Table 2, HCD staff recommendations will be considered at a public Study Session of the HCDC. Applicants may attend the HCDC Study Session but will not have an opportunity to present the Project. On the date set forth in Table 2, HCDC will convene a Public Hearing to finalize AHF NOFA award recommendations to be submitted to the Board of Supervisors. Applicants whose Projects are recommended for an award are required to attend the HCDC Public Hearing, make two-minute comments about their Project supported by a single slide approved in advance by DOH staff, and respond to questions from HCDC members. Applicants whose Projects were not recommended for an award will not be on the Public Hearing agenda but may make comments during the public comment period made available for items not on the Public Hearing agenda.

J. Board of Supervisors Public Hearing. HCDC’s AHF award recommendations will be considered by the San Mateo County Board of Supervisors at a public hearing expected on the date set forth in Table 2. An applicant may comment on the HCDC recommendations 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 funding and each Project’s award amount and source.

K. Award Letters. The Board of Supervisors’ authorization will be the basis for DOH to prepare an AHF NOFA award letter (“Award Letter”) that specifies the amount and source of the funding award and general conditions. Award Letters are expected to be sent by the Award Letter Date set forth in Table 2. (“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 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 NOFA solicits proposals only for permanent affordable multi-family housing projects. 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 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 with all required attachments submitted by the Application Deadline through the OpenGov platform; is subject to Threshold Requirements described in Section IV below; and will be ranked for funding using the scoring rubric described in Section V below. Some specific modifications in the application form, the Threshold Requirements, and the scoring rubric are provided to address underlying differences in the three Eligible Project types. Certain Threshold Requirements may be modified for a Project electing to be reviewed as a Predevelopment Project, as described in Section IV. 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, and these limitations will also affect funding recommendations.

B. Available Sources of Funds for Eligible Project Types. Each AHF 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 and Impact Fees	NCR, RRR, FTHO	Does not trigger Davis-Bacon but County does require compliance with certain other federal requirements. Impact fees may only be used for Projects in unincorporated San Mateo County.
MHSA	NCR	MHSA award will not exceed \$200,000 per MHSA-restricted Units. MHSA-restricted units are for targeted referrals with incomes up to 30% AMI if the MHSA-restricted Units have an award of Project-Based Vouchers and up to 20% AMI if the MHSA-restricted Units lack an award of Project-Based Vouchers.

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. See Appendix B for more information.

C. Measure K/Impact Fees Spending Limits for Two Eligible Project Types. The total maximum amount of Measure K funds and Impact Fees available for awards to FTHO Projects is One Million Dollars (\$1,000,000). The total maximum amount of Measure K funds and Impact Fees available for awards to RRR Projects is Two Million Dollars (\$2,000,000). When either spending limit has been reached by an allocation of Measure K funds and/or Impact Fees to Eligible Projects of that type, no additional funds will be awarded to Eligible Projects of that type from this AHF NOFA. There is no spending limit on NCR Projects, and the entire amount of Measure K funds and Impact Fees, as well as MHSA funds, shown in Table 1 is available to be awarded to NCR Projects. The two spending limits do not create either a set-aside or a spending limit on *other* funding sources offered under this NOFA (if available or applicable) for which the FTHO Project or RRR Project may also qualify, nor are the spending limits reduced by a Measure K or Impact Fee award from a prior NOFA or an anticipated Measure K or impact fee award from a later NOFA. Although FTHO and RRR Projects will be ranked with NCR Projects under the competitive scoring rubric, an application for these two Eligible Project types (FTHO and RRR) will not qualify for Measure K or Impact Fee funding once the applicable spending limit is reached for that Eligible Project type, even if the application scores higher than applications for other Projects.

D. Minimum Awards per Project or per Unit. The minimum award per Project is One Hundred Thousand Dollars (\$100,000). 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 minimum award per Unit. Limits on awards per Project or per Unit may apply because of a specific funding source described in Appendix B, because of loan terms and underwriting guidelines described in Appendix D, or because of the application of one or more Threshold Requirements.

E. Maximum Awards per Project or per Unit. Subject to any restrictions imposed by specific financing sources described in Appendix B, including a maximum award of \$200,000/Unit for MHSA Units, this AHF 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 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 Total Development Costs (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 for purposes of competitive scoring under Section IV.D, is subject to a maximum award of County funds (counting County funds requested under this NOFA, as well as prior and anticipated future County awards) equal to 15% of the Project's TDC. NOTE: This Project maximum does not apply to a Project located in Unincorporated San Mateo County or a Project in an incorporated city that qualifies for competitive points as a Supportive Housing Project under Section IV.D.

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 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 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 funds would assist the Project in seeking other funding sources or meeting conditions already imposed on the Project. A Project awarded an amount from this AHF 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 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 policy priorities that differ from the sources and amounts of funds and priorities of this AHF NOFA.

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

- Pre-development;
- Site Acquisition;
- Construction;
- Re-location;
- Capitalized Reserves in approved amounts as described in the Underwriting Policies summarized in Appendix D;
- Developer Fees up to the maximum allowed in the Underwriting Policies summarized in Appendix D; and
- 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 funds:

- (1) The Applicant's staffing, overhead, 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.
- (2) 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.
- (3) 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 funding.
- (4) Site Acquisition Costs for an RRR Project.

I. Limitation on Total Predevelopment Awards. The total amount of AHF 14 funding awarded to all Projects that elect in the application to be evaluated as Predevelopment Projects of any Eligible Project type is limited to Three Million Dollars and Zero Cents (\$3,000,000.00). For purposes of this limitation, a Project may elect to be evaluated as a Predevelopment Project because the planned start of construction is on or after January 1, 2029, even if the Project does not require one or more of the modifications to the Design, Readiness, Financial Feasibility, and Leveraging Threshold Requirements available for Projects that elect to be evaluated as Predevelopment Projects.

J. Reprogrammed Funds. If any of the AHF NOFA funds remain unawarded or any awarded AHF 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.

IV. THRESHOLD REQUIREMENTS FOR ELIGIBLE PROJECTS

A. Threshold Requirements, generally. The Applicant Team and the Project must meet all Threshold Requirements described in Section IV.B to IV.N below, allowing for any modifications specified in any Modification table that accompanies the description of each Threshold Requirement. It is the Applicant's responsibility to complete the application fully, to upload all required attachments, and to upload any additional optional attachments that may help demonstrate that the Project met a specific Threshold Requirement.

An Applicant submitting an application that is incomplete, is for a Project that HCD staff determines 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 not later than the date set forth in Table 2. The Applicant will have an opportunity to protest this determination within four business days of receipt of the Notice, but not later than the date set forth in Table 2.

B. Applicant Team Capacity Threshold. The Applicant Team must demonstrate sufficient capacity to successfully develop, finance, construct, and operate the Project in compliance with all County requirements. Team Capacity will be assessed based on Bay Area experience, affordable housing track record, financial capacity, organizational good standing and other information included in required attachments.

The County will evaluate the Applicant Team Capacity based on the information submitted in response to the Application and required uploads, including Organizational Structure, Key Staff information, Track Record Forms, Financial Capacity documentation, and the Certification and Legal Disclosure Form. Separate Track Record Forms must be submitted for each applicable entity identified in the Application, including the Applicant/Sponsor/Developer, Property Management entity, General Resident Services Provider, and any Additional Supportive Services Provider, as applicable. The Certification and Legal Disclosure Form must be completed and signed by the Applicant on behalf of the Applicant and all members of the Applicant Team. It is the Applicant's sole responsibility to conduct the due diligence concerning other members of the Applicant Team that is necessary to complete the Certification and Legal Disclosure Form on behalf of other members of the Applicant Team.

At a minimum, the Applicant Team must meet the following Threshold Requirements:

- **Bay Area Experience:** Each member of the Applicant Team must have a minimum of three (3) years of affordable housing experience in the Bay Area.
- **Track Record:** The Applicant Team must demonstrate a successful affordable housing track record on comparable projects.
 - For the Applicant/Sponsor/Developer, this includes experience developing a minimum of three (3) comparable affordable housing projects of similar size, type, and complexity, and completing such projects on time and within budget.
 - For the Property Management entity, this includes experience managing a minimum of three (3) comparable affordable housing properties targeting similar tenant populations as the Project and maintaining compliance with applicable regulatory requirements.
 - For the Supportive Services Provider(s), this includes experience providing services to populations similar to the Project's target population and delivering services at a minimum of three (3) affordable housing projects comparable in scope and scale to those proposed for the Project.

Each member of the Applicant Team must complete the Track Record Form, providing information relevant to its role, including years of experience, experience in affordable housing, experience in the Bay Area, number of projects completed, and current or anticipated project pipeline, as applicable. Track Record Forms will be used to evaluate performance history, including timeliness, budget adherence, and compliance.

- **Financial Capacity and Organizational Good Standing:** Each member of the Applicant team must demonstrate financial capacity and organizational good standing sufficient to complete and operate the Project. As further described in DOH Underwriting Guidelines, financial capacity will be evaluated for each member of the Applicant Team based on its respective role in the Project, relying on financial documentation required to be attached to the Application, including, but not limited to, audited Financial Statements with management letters or executed tax returns for the last two (2) years and, in the case of a tax-exempt entity, a 501(c)(3) determination letter. The Applicant must complete and sign the Certification and Legal Disclosures Form on behalf of the Applicant and the Applicant Team, disclosing any relevant legal, financial, or compliance matters. The Applicant must submit articles of incorporation, bylaws, and Certificates of Good Standing and must not be debarred or have any outstanding compliance issues that would affect the Applicant Team's ability to perform under the proposed Project. The Applicant must also provide a corporate resolution from its governing board authorizing the submission of the application for an AHF award for the Project in the amount requested and delegating to an appropriate officer the authority to finalize an award letter and other documents necessary for the commitment and loan of AHF funds for the Project.

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. An FTHO applicant must also upload evidence of homeowner default rates on prior FTHO projects.
2	NCR, FTHO	An Emerging Developer, as defined in Appendix A, may qualify for an exception for Bay Area experience and affordable housing development track record (but not financial capacity and organizational good standing). Even if the developer qualifies as an Emerging Developer, no exceptions are allowed for property management and supportive services experience and track record.

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

1. an area identified as **Moderate Resource or higher** in the 2026 CTCAC/HCD Opportunity Map available at [2026 CTCAC/HCD AFFH Mapping Tool](#) or
2. an area identified as **Low Resource (not High Segregation & Poverty)** in the 2026 CTCAC/HCD Opportunity Map available at [2026 CTCAC/HCD AFFH Mapping Tool](#), **but only if** the Project is

demonstrated by an uploaded location map to be within one-half-mile of public transportation, shopping, medical services, recreation, schools, and employment appropriate to the needs of the Project tenants.

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

- 100% of the total Units (excluding the manager’s unit) must have income and rent restrictions for households up to Low Income.
- At least 15% of the total Units must have income and rent restrictions for households up to Extremely Low-Income (ELI). ELI Units designated to meet the Homelessness Preference Threshold described below will count toward this 15% ELI Threshold Requirement.

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 [Income Limits and Rent Payments | County of San Mateo, CA](#).

The Affordability Threshold Requirements are minimum requirements. If the Application proposes deeper affordability restrictions for the Project, then such affordability restrictions will be binding if the Project receives an award under this AHF NOFA 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 shall be subject to a preference for people experiencing Homelessness with rent affordable to households with incomes up to 30% of Area Median Income (AMI) who are referred with a Tenant-Based Rental Subsidy (“Homelessness Preference Threshold Requirement”). Referrals with a Tenant-Based Rental Subsidy include referrals from the HACSM Housing Choice Voucher program, from Behavioral Health and Recovery Services with respect to any MHSA Units that will benefit from a transitional rent or rental or operating subsidy available under the Behavioral Health Services Act, or from other publicly funded programs of rental or operating subsidy maintained by a County agency. Homelessness Preference Units must be supported with more intensive supportive services than Units for the general resident population. The Homelessness Preference must be applied to allow the referring agency at least 60 days to refer a qualifying homeless household for a vacant Homelessness Preference Unit before the Unit may be offered to the general population. Only Units for people experiencing Homelessness will satisfy this Homelessness Preference Threshold Requirement.

Table 6: Modification of Homelessness Preference Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
6	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.
7	FTHO	The Homelessness Preference Threshold Requirement does not apply to FTHO Projects.

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 forms of site control:

- 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 not less than 180 calendar days after the NOFA Application Deadline. If the transfer is scheduled to take place before the date of the Board of Supervisors meeting shown on Table 2, the buyer, seller, and escrow agent shall certify that all conditions to the scheduled transfer have been satisfied by the date of the HCDC study session shown on Table 2;
- a recorded deed of the real property identifying the Applicant as grantee;
- a recorded long-term lease of the real property (with a remaining term not less than 55 years) identifying the Applicant as lessee;
- 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. If the transfer is scheduled to take place before the date of the Board of Supervisors meeting shown on Table 2, the buyer, seller, and escrow agent shall certify

that all conditions to the scheduled transfer have been satisfied by the date of the HCDC study session shown on Table 2;

- an exclusive right to negotiate (ERN) with a public or quasi-public agency that owns the real property and selected the Applicant to receive the ERN as the result of a competitive process, if the agency confirms in writing that there are no unmet conditions, performance deadlines or events of default under the ERN and the ERN remains in effect and will remain in effect at least 180 calendar days after the NOFA Application Deadline;
- a Letter of Intent to convey site control of a portion of a site intended for a larger market rate project upon entitlement of such larger market rate project by the local jurisdiction if the Letter of Intent identifies the specific parcel intended for affordable housing and establishes that the developer has site control of the entire parcel subject to any subsequent minor discretionary revisions of the lot lines for the affordable housing parcel that do not conflict with the ability to develop the affordable housing project as described in the Application under the NOFA.

The evidence of site control must be accompanied by a legal description and preliminary or final title report issued not more than sixty (60) days prior to the date of the AHF NOFA application deadline set forth in Table 2. The application must include an uploaded attachment to explain any liens, easements or other matters of record shown on the title report that appear inconsistent with the Project’s development plan and occupancy as proposed in the Application.

If the evidence of site control is not in the organizational name of the Applicant, the Applicant must also upload documentation to establish how the site control rights are subject to the Applicant’s control.

To satisfy this Site Control 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 uploaded narrative.

As needed, an Applicant should upload an attachment to identify and explain key expiration dates or conditions associated with the site control documents and thereby demonstrate compliance with the timing requirements of this Site Control Threshold Requirement.

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. To satisfy the Readiness Threshold, the Applicant must propose a development timeline which shows that the Project is likely to start construction before January 1, 2029 unless the Applicant has elected in the application for the Project to be evaluated as a Predevelopment Project. DOH will review the Applicant’s evidence of site control, title report, environmental site assessment, current and pending land use approvals, design documents, cost estimates, financing commitments, and financing plan, including the schedule assumed for state HCD, AHSC, MIP, and CTCAC/CDLAC applications and awards, to assess the reasonableness of the Applicant’s representation that construction is likely to begin before January 1, 2029 (or before January 1, 2031 if the Project has elected to be evaluated as a Predevelopment Project). 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 this AHF NOFA.

Table 8: Modification for Projects Electing Predevelopment Review

Mod. No.	Project Type	Description of Modification to Threshold Requirement
9	NCR, RRR, FTHO	Projects that elect to be evaluated as a Predevelopment Project may demonstrate the ability to commence construction on or after January 1, 2029, but not later than December 31, 2030.

H. Leveraging Threshold: To satisfy the Leveraging Threshold Requirement, a Project must upload written third party funding commitments for the Project that equal or exceed the lesser of (i) \$1,000,000 or (ii) \$20,000 per Unit from federal, state, regional, and local funding sources other than County awards. Subject to the qualifications provided below, leveraging may be demonstrated by one or more of the following written commitments:

- A third party’s donation of land or a commitment to convey the real property at a price that is below its appraised fair market value by at least the lesser of (i) \$1,000,000 or (ii) \$20,000 per unit or a commitment to lease the real property for a fixed rental payment of \$1/year and a share of Residual Receipts from the property.
- A written award of city housing funds and/or city fee waivers that equal or exceed the lesser of (i) \$1,000,000 or (ii) \$20,000 per unit.
- A philanthropic award that equals or exceeds the lesser of (i) \$1,000,000 or (ii) \$20,000 per Unit.
- A state funding commitment from AHSC, Super NOFA funds, or other identified state funding source that equals or exceeds the lesser of (i) \$1,000,000 or (ii) \$20,000 per Unit.
- For a Project in unincorporated San Mateo County, County fee waivers and County financial support from sources other than the current or prior AHF NOFA or Federal Funds NOFA that equal or exceed the lesser of (i) \$1,000,000 or (ii) \$20,000 per Unit.
- Other third-party written funding commitments for the Project that equal or exceed the lesser of (i) \$1,000,000 or (ii) \$20,000 per unit.

A developer’s commitment to provide General Partner equity, reduced or deferred developer fees, or other financial contribution to the Project does not qualify as a third-party commitment that satisfies the Leveraging Threshold.

Land or in-lieu funds committed to the Project in order to satisfy a local inclusionary housing mandate will not count as Leveraging unless the applicant attaches a letter from the jurisdiction imposing the inclusionary requirement which demonstrates that the value of the land contribution, the amount of funds committed, or other form of inclusionary contribution exceeds the minimum land contribution or in-lieu fee requirements of the local inclusionary ordinance by the lesser of \$1 million or \$20,000 per Unit. A commitment to provide deeper affordability than the minimum requirements of the inclusionary housing ordinance will not count as a funding commitment for purposes of meeting the Leveraging Threshold Requirement unless the applicant demonstrates that the financial impact of such deeper affordability exceeds the lesser of \$1,000,000 or \$20,000/Unit. (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. To satisfy the Leveraging Threshold, differences with the jurisdiction’s minimum inclusionary requirements must be material differences in the sole and absolute discretion of HCD staff.)

If any below-market land value is used to show Leveraging, these amounts must be supported by an independent appraisal or other evidence supporting the stated value of the contribution, which is satisfactory to DOH in its sole and absolute discretion.

A short-term acquisition or pre-development loan with a below-market interest rate, which is fully due and payable on or before the close of construction financing will not count as Leveraging.

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 County funds equal to 15% of the Project’s TDC, as described in Section III.E.3 above.

Table 9: Modification for Projects Electing Predevelopment Review

Mod. No.	Project Type	Description of Modification to Threshold Requirement
10	NCR, RRR, FTHO	In lieu of a binding funding commitment, a Project electing to be evaluated as a Predevelopment Project may submit a third party letter of staff support that is subject to subsequent City Council or authorizing Board approval if the letter of support includes the amount and source of recommended funding and planned date of the city council or authorizing Board action that is not later than June 30, 2027 and represents that the funds are currently available to satisfy the amount of the staff recommendation.

I. Financial Feasibility Threshold. The Application shall upload Sources and Uses and 30-year cash flow projections in Excel format (not PDF) and a draft of the Project’s tax credit/bond application satisfying the following elements of the Financial Feasibility Threshold Requirement. (An Applicant who has elected for the Project to be reviewed as a Predevelopment Project may but is not required to submit a draft tax credit application.

(1) Reasonable and Balanced Sources and Uses: The Application has identified financing sources sufficient to cover the total development cost of the Project during both the construction and permanent financing phase of the Project. The proposed Sources and Uses of funds rely on reasonable assumptions about development costs, financing sources and terms, and the currently available local, state, and federal financing programs as set forth below and in the Underwriting Guidelines in Appendix D of the NOFA.

- Proposed construction hard costs per Unit and per SF are reasonable and comparable to costs of similar projects applying in this NOFA and AHF 13.
- Proposed soft costs per Unit and per SF are reasonable and comparable to costs of other similar projects applying in this NOFA and AHF 13.
- Hard and soft costs that are not included in tax credit basis are identified and segregated for purposes of calculating tax credit equity investment.
- The cost of any commercial or community serving space not eligible to be included in basis for tax credit purposes is funded by a third party commitment without reliance in whole or in part on AHF funds.
- Proposed assumptions for hard cost and soft cost contingency funds comply with the Underwriting Guidelines.
- Proposed developer fee complies with the Underwriting Guidelines.
- Proposed financing assumptions used to size the amount of the Project’s conventional debt (e.g. interest rates, amortization period, term) are reasonable based on current market dynamics and comparable to similar projects applying in this NOFA and AHF 13, unless

different terms are supported by a binding written commitment from the lender subject only to award of County funds and tax credits/bonds.

- Proposed pricing assumptions for tax credit equity investment comply with the Underwriting Guidelines, unless a different price is supported by a binding written commitment from the investor subject only to awards of County funds and tax credits/bonds.
- City or other local funding commitments or fee waivers are either committed in writing subject only to award of County funds and tax credits/bonds or, in the case of a Predevelopment Project, evidenced by a letter of support that satisfies the modification available for the Leveraging Threshold Requirement.
- A state HCD, AHSC or MIP funding source is either already committed or is uncommitted and attainable as evidenced by
 - The state HCD, AHSC or MIP funding source is currently published to be available in the round for which the Project will apply.
 - The Project's amount requested does not exceed more than 20% of the total funds published to be available for that funding source in the round for which the Project will apply (or assumed based on the amount available in the most recent round).
 - The Project's score/tiebreaker for that state funding source is not more than 10% lower than the lowest score awarded in the most recent competitive round for that funding source.
- Other terms and requirements set forth in Appendix D.

(2) Ability to Operate on a Break-Even Basis. The pro forma 30-year cash flow projections must rely on reasonable income and expense assumptions as set forth below, must comply with the Underwriting Guidelines set forth in Appendix D of the NOFA and **must demonstrate the ability to break even during the first twenty years of operations.** If the cash flow projections show that the Project will not continue to break even after the first twenty years of operation, the Applicant must also upload an attachment explaining the plan for addressing any deficits projected after the first twenty years of operations. Project income should not assume Project-Based Vouchers or other rental subsidy income unless evidenced by a written commitment letter from the Housing Authority or other public agency.

- If the Project relies on County funding for a Capitalized Operating Subsidy Reserve in order to break even, the calculation of the COSR must comply with the Underwriting Guidelines.
- Proposed rents or sales prices are realistic and supported by a market study with highest project rents at least 10% below market rate rents within the vicinity of the site and complies with the Underwriting Guidelines specifying:
 - Senior studio and 1 BR units may not assume rents higher than 50% AMI rents unless supported by detailed evidence of comparable rents from nearby senior projects.
 - 2, 3 and 4 BR units may not assume rents higher than 60% AMI rents unless supported by detailed evidence of comparable rents from nearby family projects.
 - Supportive Housing Units for special needs populations have a letter of support committing to make referrals from the referring agency and do not assume rents higher than 20% AMI rents unless a rent subsidy supporting a higher rent is committed in the referring agency's letter of support or other written commitment.
- Proposed vacancy rate for both general resident Units and Supportive Housing Units complies with the Underwriting Guidelines.

- Proposed operating expenses, including property management fees and projected annual rates of increase, are realistic and reasonable and comply with the Underwriting Guidelines.
- Proposed supportive service budget equals or exceeds the minimum required by the Underwriting Guidelines for both general resident units and Supportive Housing Units.
- Proposed Partnership, Asset Management and other Incentive Fees comply with aggregate limit imposed by the Underwriting Guidelines and increase at a rate allowed under the Underwriting Guidelines
- The calculation and distribution of Residual Receipts, including the share allocated to the developer, complies with the Underwriting Guidelines, and any Deferred Developer Fees and prior year accrued Partnership and Asset Management fees are captured solely from the developer's share of Residual Receipts as described in the Underwriting Guidelines.
- Other requirements set forth in Appendix D.

Table 10: Modification of Financial Feasibility Threshold Requirement

Number	Project Type	Description of Modification to Threshold Requirement
11	NCR, RRR	A Project that has elected in the application to be evaluated as a Predevelopment Project must state its expected application score and tiebreaker percentages for tax credits and any other competitive funding sources in the application but is not required to upload a draft of the Project's tax credit/bond application.
12	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. An attachment describing loan terms for the homebuyer must be uploaded.
13	FTHO	Pro forma 30-year cash flow projections and draft tax credit application are not required.
14	FTHO	Developer and other sponsor fees must be reasonable as a percentage of TDC in DOH's sole discretion.

J. Sustainability Threshold. As stated in an attachment to the Application executed 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:

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

Fannie Mae provides information on additional types and sources of certification available for different types of housing construction, including rehabilitation.
<https://multifamily.fanniemae.com/media/37621/display>

K. Accessibility Threshold. To meet the Accessibility Threshold Requirement, the Project must meet CTCAC standards of accessibility, which currently require that:

- (2) 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
- (3) 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, the Schematic Design plans show that accessible Units are distributed throughout the Project and that there is an accessible path of travel between accessible Units and Project offices and amenities, the building entry and any building public right of way.

Table 11: Modification of Accessibility Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
15	RRR	RRR Projects shall meet current CTCAC standards of accessibility unless the applicant demonstrates that a lesser standard will be approved by CTCAC to facilitate the re-syndication.
16	FTHO	FTHO Projects may meet the Accessibility Threshold Requirement by complying with Local Building Code standards and providing accessibility that is reasonable in light of the building type and design.

L. Community Benefits, Community Engagement, and Tenant Protections Threshold. Any Project, whether or not receiving an award of federal funds, must comply with applicable requirements for contracting considerations under 2 CFR § 200.321; 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.

An application must describe how the Project will further one or more of 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>.

An application must include an attachment of a written Community Engagement Plan (underway or proposed), which is tailored to the timing and scope of the individual Project. For example, an NCR application for a Project not yet entitled and not subject to ministerial review should propose a detailed plan which:

- 1. identifies and engages critical community stakeholders after consulting with the staff of the relevant supervisory office and DOH, and the relevant city’s housing or planning staff;
- 2. encourages active community involvement;
- 3. addresses community concerns and engages constructively with individuals who oppose the development;
- 4. identifies and uses a communication strategy to inform and engage community stakeholders;

5. provides for hosting one or more community meetings to discuss the proposed development;
6. incorporates the feedback of targeted residents, including people with lived experience of homelessness;
7. 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;
8. 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
9. 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. Projects that are already entitled must upload an attachment providing documentation of entitlement. Projects relying on ministerial review should upload a letter from the appropriate local agency specifying that the Project is eligible for ministerial review and describing the current status and expected timeline of the review. Projects that are already entitled or eligible for ministerial review must attach a Community Engagement Plan that describes plans for keeping the community informed of the progress of the Project before, during, and after the construction and leasing process.

An application must include a Relocation Plan if the Project will be developed on a currently occupied property.

In addition to other marketing strategies, the Project shall be marketed to the greater community on the County's approved online affordable housing listing site, currently the Doorway Housing Portal. At least six months prior to completion of construction, Applicant 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 including limitations on city live-work preferences, 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.

The Applicant must upload an attachment explaining how the Project will satisfy County limitations on local Live-Work preferences, including a description of any existing or pending city live-work preference that may conflict with the County policy set forth below:

1. The number of Units allowed to be subject to a city live-work preference is limited to the greater of 51% of total Units or the percentage of total Units equal to the ratio of City funding to the total of City and County funding for the Project (including loans, grants, donated land value, fee waivers and other financing contributions). Any request to exceed the limits described above must be disclosed by the Applicant at the time of application submission and will be subject to the County's sole and absolute discretion.
2. In addition, (a) a **primary** County of San Mateo Live-Work Preference shall apply to the Units not subject to an allowable live-work preference imposed by an incorporated city pursuant to California Government Code 7061 and (b) a **secondary** County of San Mateo Live-Work

- Preference shall apply to Units subject to an allowable incorporated city’s live-work preference subject to the County’s development of an ordinance allowing such preference.
3. In no event will DOH allow a city live-work preference to apply to any HOME assisted Units; any Units benefiting from Project-Based Vouchers or other HACSM or County-administered rental subsidy program or a County-funded Capitalized Operating Subsidy Reserve; or any Supportive Housing Units required to be filled through a specific County referral program.
 4. All tenant preferences must comply with Fair Housing and other applicable state and federal requirements.

M. Design and Amenities Threshold. To meet the Design and Amenities Threshold Requirement, the Project must present architectural drawings of the Project at least through the schematic design phase, which satisfy the following requirements:

1. Siting, height, density, Floor Area Ratio, parking, and other features are consistent with land use and zoning requirements.
2. Unit meet CTCAC standards, including minimum Unit sizes and other construction requirements.
3. The number of Units of different Unit types (studio, 1 Bedroom, 2 Bedroom, etc.) is consistent with the information presented in the financial pro forma, including the operating income and expense projections.
4. The location and Unit type of accessible Units proposed to satisfy the Accessibility Threshold are identified, accessible routes to residential units and common areas are shown, and any Universal Design features are indicated.
5. The location and size of common space and other community amenities for residents are shown (including an outdoor common space when feasible), as well as space for services provision and service provider staff, are identified.
6. Design features, services and amenities are incorporated that successfully address the housing and service needs of the targeted tenant population(s).

Table 12: Modification of Design and Amenities Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
17	NCR, RRR, FTFO	A Project that elects to be evaluated as a Predevelopment Project may attach architectural drawings that do not satisfy the minimum requirements of the Schematic Design Phase if accompanied by a narrative explaining the differences and demonstrating that the submitted drawings are consistent with the Project description, including number and types of Units, as described in other sections of the Application.

N. Supportive Services Plan Threshold. To meet the Supportive Services Plan Threshold Requirement, the Project must propose a plan of supportive services with specific services and case management ratios tailored to the Project’s resident population, with a written commitment from a supportive services provider with documented experience successfully serving the proposed resident population at not fewer than three operating affordable housing projects. A Project with both general resident Units and Supportive Housing Units for a population with special service needs must provide a Supportive Services Plan for both the general resident Units and the Supportive Housing Units. With respect to any Supportive Housing Units, the Supportive Services Plan must also 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. Further, an RRR or NCR Project’s operating budget must include a budget for supportive services Per Unit Per Annum (PUPA) not less than the minimum described in DOH Underwriting Guidelines.

Table 13: Modification of Supportive Services Plan Threshold Requirement

Mod. No.	Project Type	Description of Modification to Threshold Requirement
18	FTHO	FTHO Projects may meet the Supportive Services Plan Threshold Requirement with an appropriate program of homeowner education and training, offered before and after the sale of the home to the homebuyer.

V. COMPETITIVE SCORING OF ELIGIBLE PROJECTS THAT MEET THRESHOLD REQUIREMENTS

A. Summary of Competitive Scoring. A Project that meets Threshold Requirements will be scored and ranked in comparison with other Projects for the purpose of staff award recommendation to HCDC, and if so, the recommended amount and source of funding, using the following allocation of points:

Table 14: Summary of Competitive Points for Ranking Projects that Meet Threshold Requirements

Scoring Category	Maximum Points
Location	10
Affordability	10
Priority Needs: Supportive, Farmworker, and Large Family Housing	20
Readiness	20
Leveraging	20
Financial Feasibility	10
Public Employee Housing Demonstration	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 and Impact Fee spending limits (FTHO and RRR) will not receive Measure K and/or Impact Fee 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 and or Impact Fees if other funding sources are available and applicable. 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 and absolute discretion of DOH. An Applicant may submit comments on the resulting recommendation at the HCDC public hearing and again at the Board of Supervisors’ public hearing.

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

- Five points will be awarded to a Project located in a Moderate or Low Resource Area in the 2026 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 a High Quality Transit Stop as defined in Appendix A, grocery shopping, schools, health care, and other services and amenities appropriate to the targeted population.

- Ten points will be awarded to a Project located in a High or Highest Resource Area in the 2026 CTCAC/HCD Opportunity Map available at <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.

C. Affordability—Maximum Points 10. Up to ten points will be awarded for Affordability based on a Project’s Average AMI calculated as defined in Appendix A, in accordance with the following table:

Table 15 Competitive Points for Affordability

Project’s Average AMI	Points Available
0 to 35%	10
Above 35% to 45%	8
Above 45% to 50%	6
Above 50% to 55%	4
Above 55% to 60%	2
Above 60%	0

Table 16 Modification of Affordability Competitive Points

Mod. No.	Project Type	Description of Modification to Affordability Points
19	FTHO	In lieu of the Affordability scale set forth in Table 15, FTFO projects may compete for a maximum of ten competitive points based on the cumulative impact of the following factors in increasing the affordability of the Project: (1) 2 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) 2 points if the Project does not require Private Mortgage Insurance (PMI); (3) 2 points if the downpayment required from the homeowner is 5% or less of the sales price; (4) 2 points if the interest rate on the first mortgage loan is 5% or lower; or (5) 2 points if the Project provides for homeowners to contribute “sweat equity” towards the sales price.

D. Priority Needs: Supportive Housing, Farmworker Housing, Large Family Projects—Maximum Points 20. A maximum of 20 points may be awarded to a Project that meets **one or more** than one of the following priority housing needs of the County of San Mateo:

- Ten points will be awarded to a Project that qualifies as a Farmworker Project as defined in Appendix A (at least 25% of Units are available to, and occupied by, Agricultural Households).
- Ten points will be awarded to a Project that qualifies as a Supportive Housing Project as defined in Appendix A (at least 25% of Units are Supportive Housing Units which may include the Units targeted to meet the Homelessness Preference Threshold Requirement); and an additional five points may be awarded to a Project in which more than 25% of Units are Supportive Housing Units but only if the financing commitments include an innovative third party financing source for operating subsidy that enables the Project to break even.

- Ten points will be awarded to a Project that qualifies as a Large Family Project as defined in Appendix A, but only if the number of two, three, and four bedroom Units that enable the Project to meet the definition of Large Family Project are subject to income and rent restrictions up to 60% of Area Median Income.

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

NOTE: As set forth in Appendix D, 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, 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 that meets or exceeds Threshold Requirements for the supportive services plan set forth above in Section IV.N, and a Market Feasibility Study or similar document acceptable to DOH in its sole and absolute discretion must demonstrate effective demand for Units of the type, size, and affordable rents proposed for the Priority Needs Units at the Project.

Table 17: Modification of Priority Needs Competitive Points

Number	Project Type	Description of Modification to Threshold Requirement
20	FTHO	FTHO Projects may qualify for points for Supportive Housing Units 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 competitive points for Farmworker and Large Family projects.)
21	RRR	RRR Projects that are currently occupied may qualify for points for Supportive Housing Units or Farmworker Units by agreeing to target Units to one of the specified populations in the number and at the income required as occupied Units become vacant. Two, three, and four bedroom Units may qualify to meet the definition of Large Family Project by agreeing to target Units at the income required as occupied Units become available. Any Unit that, considering the income of the current tenant household, already meets the conditions for a Supportive Housing Unit, Large Family Unit or Farmworker Unit may be counted to meet the minimum requirement.

E. Readiness—Maximum Points 20. Up to 20 points may be awarded to a Project that demonstrates, with an award of funds under this NOFA, Readiness to start construction using the criteria below for Projects not competing for tax credits, Projects competing for 9% tax credits, and the different types of Projects competing for 4% tax credits/bonds:

Table 18: READINESS of Projects Not Relying on Tax Credits

Points	Funding Committed	Expect to Start Construction
20	All except this AHF NOFA	By 6/30/2027

15	All except this AHF NOFA and other identified sources not greater in total than 10% of TDC	By 12/31/2027
10	All except this AHF NOFA and other identified sources not greater in total than 25% of TDC	By 6/30/2028
5	All except this AHF NOFA and other identified sources not greater in total than 33% of TDC	By 12/31/2028

Table 19: READINESS of Projects Relying on 9% Tax Credits

Points	Tiebreaker Percentage	Funding Committed
20	100%	All except this AHF NOFA and tax credits
15	85%	All except this AHF NOFA and tax credits
10	75%	All except this AHF NOFA, state funding, and tax credits
5	65%	All except this AHF NOFA, state funding, and tax credits

Table 20: READINESS of ELI/VLI and Homeless Set-Aside Projects in New Construction Pool for 4% Tax Credits & Bonds

Points	Score	Request State Tax Credits	Tiebreaker Percentage	Funding Committed
20	112	No	No minimum	All except this AHF NOFA and tax credits/bonds
15	112	Yes	90% and above	All except this AHF NOFA and tax credits/bonds
10	111	No	150% and above	All except this AHF NOFA and tax credits/bonds
5	111	No	125% to 150%	All except this AHF NOFA, state funding, and tax credits/bonds
5	112	Yes	Below 90%	All except this AHF NOFA, state funding, and tax credits/bonds
0	111	Yes	N/A	All except this AHF NOFA, state funding, and tax credits/bonds

Table 21: READINESS of Geographic Region Projects Relying on 4% Tax Credits & Bonds

Points	Score	Request State Tax Credits	Tiebreaker Percentage	Funding Committed
20	112	No	No minimum	All except this AHF NOFA and tax credits/bonds

15	112	Yes	190% and above	All except this AHF NOFA and tax credits/bonds
10	111	No	130% and above	All except this AHF NOFA and tax credits/bonds
5	111	No	115% to 130%	All except this AHF NOFA, state funding, and tax credits/bonds
5	112	Yes	100% to 190%	All except this AHF NOFA, state funding, and tax credits/bonds
0	111	Yes	N/A	All except this AHF NOFA, state funding, and tax credits/bonds

Table 22 READINESS Other 4% Set-Asides and Pools

For **Mixed Income Program Set-Aside Projects in the New Construction Pool (not Rural), Projects in the Rural Pool, and Projects in the Acquisition/Rehabilitation Pool**, a Project may receive 20 points (all or nothing) if the Project has all funding committed except for this AHF NOFA and tax credits/bonds, will start construction on or before December 31, 2027 and the Project’s score/tiebreaker satisfies the following:

- The application score is not lower than the last awarded project in that pool in the previous 4% Round; AND
- The tiebreaker score is no more than 10% less than the tiebreaker score of the last awarded project in the previous 4% round.

If a **BIPOC Project is proposing to compete in the BIPOC Pool** and does not meet the requirements above (for Other 4% Set-Asides and Pools), the Project will be scored based on the ELI/VLI and Homeless scoring system or the Geographic Region scoring system, as applicable.

F. Leveraging—Maximum Points 20. Up to 20 competitive points will be awarded for Leveraging based on the ratio of total County funds (including funds from prior NOFAs, the amount requested in this NOFA, and the amount projected in the Financing Plan from future NOFAs) to the Project’s Total Development Cost (TDC), with different scales for Projects in incorporated cities versus unincorporated County:

Table 23 Leveraging Competitive Points

Total County Funds as Percentage of Total Development Costs Does Not Exceed		
Points	Unincorporated	Incorporated
20 Points	15% of TDC	10% of TDC
15 Points	25% of TDC	20% of TDC
10 Points	35% of TDC	30% of TDC
5 Points	45% of TDC	40% of TDC
0 Points	More than 45% of TDC	More than 40% of TCD

G. Financial Feasibility—Maximum Points 10. A Project that meets the Financial Feasibility Threshold Requirement may be awarded a maximum of ten points if the Project will break even for longer than 20

years of operations without a County-funded COSR AND reliably demonstrates underlying financial assumptions that are more favorable than the minimum requirements of one or more of the Underwriting Guidelines, including, but not limited to, evaluation of one or more of the following factors:

(1) Assumptions about financing terms (including construction and permanent debt and tax credit investor equity) are more favorable than minimum Underwriting Guidelines, are supported by binding commitment letters from targeted lenders or investors and seem reasonable in light of current market conditions.

(2) Assumptions about construction and other development costs, including per Unit costs and per square foot costs, are more favorable minimum Underwriting Guidelines and are supported by evidence of preliminary construction cost estimates that seem reasonable in light of current market conditions.

(3) The Project's Supportive Services Budget exceeds minimum Underwriting Guidelines.

(4) The developer will contribute a portion of its developer fee, including amounts eligible to be deferred, as Project equity.

(5) The Project has an award of Project-Based Vouchers or other third party rental or operating subsidy commitment that will enhance the feasibility of serving households with incomes less than 30% of AMI in the case of Farmworker or Supportive Housing Units, less than 50% of AMI in the case of Senior Units, and less than 50% of AMI in the case of Large Family Units.

(6) Even without rental or operating subsidy, the Project proposes some Units with rents lower than the minimum Underwriting Guidelines requirement for any of the following types of Units:

(a) Lower than 20% of AMI for Supportive Housing Units.

(b) Lower than 50% of AMI for studio or one-bedroom apartments targeted to Seniors age 62 and older.

(c) Lower than 60% of AMI for any two-, three-, and four-bedroom Units not targeted to Farmworkers, Homeless or Special Needs.

H. Public Employee Housing Demonstration - Maximum 10 points. Up to 10 points may, in DOH's sole and absolute discretion, be awarded to one or more Projects (or to no Projects) that propose to implement a Public Employee Housing Preference for no fewer than 10% and no more than 25% of the Project's Units to Public Employee households with incomes up to 80% AMI. Projects may be awarded less than ten points depending on the percentage of Units subject to the Public Employee Housing Preference. Applicants interested in including Units for Public Employees should create, execute and upload an attachment labeled Public Employee Housing Preference Attachment, stating the rationale for including Public Employees in the specific Project and containing the number, size and AMI targeting levels of the proposed Public Employee Units, which should be consistent with the number, type and AMI targeting level of Units already designated for the general resident population in the Application and in the Project's pro forma financial statements. Further definition of the Public Employee Housing Preference may, in DOH's sole discretion, result from an ordinance proposed to be adopted to implement the preference, and from DOH's review of the Applications submitted with the required attachment for the Public Employee Housing Preference. The attachment shall acknowledge that the Public Employee Housing Preference is subject to change and that the applicant agrees to take further direction from DOH on the Unit types, AMI levels, and other terms of the Public Employee Housing Preference as these are finalized by the County of San Mateo.

VI. LOAN TERMS

Upon receiving an Award Letter under this AHF NOFA, the Applicant is required to execute and return the Award Letter within five business days of its receipt by the Applicant and the Borrower is expected subsequently to execute a Loan Agreement, Promissory Note, Deed of Trust and Regulatory Agreement in a form and subject to terms established by the County, and comply with loan terms, underwriting guidelines, compliance monitoring requirements and other requirements summarized in Appendix D. The Applicant must acknowledge and agree to be bound by Loan Terms and Underwriting Guidelines in effect when the Loan Agreement is executed, even if different than the terms in effect when the NOFA was released.

VII. AGREEMENTS, ACKNOWLEDGMENTS, AND CERTIFICATIONS

By submitting a response to the AHF 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 or to clarify an insignificant ambiguity, DOH may, in its sole discretion, process the application with such errors corrected or ambiguity clarified. After the Application Deadline, an Applicant may only make a material change or correction to an application in a timely response to a notice provided to all applicants through OpenGov of additional information that may be submitted by all applicants because of an omission, error or significant ambiguity in the NOFA or application form. 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.

B. Application Becomes DOH Property. All information and materials submitted to DOH in response to this AHF 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 California Public Records Act and will not assert privileges from disclosure on behalf of the Applicant as further set forth in Section VII(C) below.

C. Public Disclosure. Applications and all materials submitted in response to this AHF NOFA are subject to California Government Code Section 7920.000, *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 and with no obligation to do so, 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 alleged harm caused by production of a confidential submission even if it is privileged from disclosure,

and, by applying, expressly waives any such claim against the County (including DOH) arising from or related to such disclosure.

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 to independently 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 required to disclose any of the following events which have occurred in the past five years, and to describe the circumstances, including dates and current status:

- (1) Removal or withdrawal under threat of removal as a general partner in an affordable housing project.
- (2) Failure to comply with prevailing wage requirements, including non-reporting.
- (3) Failure to correct overcharging of rent more than three (3) months after public agency's issuance of notice of noncompliance.
- (4) 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.
- (5) Failure to provide promised supportive services to a special needs population or tenants of a project.
- (6) Failure to seek required public funder approvals for actions under loan documents, such as approval of transfers.
- (7) Other 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;
- (8) Any activities of the developer or an individual in a position to influence the developer's performance of its duties and responsibilities, which resulted in debarment of such entity or individual by the U.S. Department of Housing and Urban Development or by another state or federal agency.
- (9) Notice of noncompliance or default issued by the public funder for other reasons.
- (10) Any prior or pending legal proceedings, actions, convictions or judgments that have been filed against Applicant, Applicant Team or their affiliated entities, or any prior or pending arbitrations or mediations.
- (11) Any prior or pending administrative complaints/hearings against or any debarment or suspensions of or other administrative determinations by any federal, state or local government entity relating to Applicant, Applicant Team or their affiliated entities.

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 be financially interested in any contract made in their official capacity and shall comply with applicable conflict of interest regulations and requirements.

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 approved 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 MBE/WBE, Violence Against Women Act, Fair Housing Act, Americans with Disabilities Act, and Uniform Relocation Act. Compliance with federal Davis-Bacon wage requirements, the Build America, Buy America Act, and the National Environmental Protection Act is 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 NOFA, an Applicant and each member of an Applicant Team certify under penalty of perjury that:

1. The submission is not the result of collusion with a DOH employee or San Mateo County official or any other activity that would tend to directly or indirectly influence the selection process.
2. The Applicant and each member of the Applicant Team is able or will be able to comply with all requirements of this NOFA.
3. 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 interest of any County officer or employee relating to this solicitation.
4. 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 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:

5. 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.
6. Waive any technical defect or informality in any submittal or submittal procedure that does not affect or alter the submittal's substantive provisions.
7. Reject any and all submittals.
8. Request some or all Applicants to revise submittals.
9. Waive any defects as to form or content of this NOFA or any other step in the selection process.
10. Reject all applications and reissue the NOFA.
11. Procure the desired loan applications by a means other than this NOFA or not proceed in procuring the proposals for loans under this NOFA.
12. 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” or “NOFA”: The current County Affordable Housing Fund Notice of Funding Availability released on April 20, 2026.

“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 not 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, financial capacity and organizational good standing to develop, manage, operate, and provide supportive services to the Project for which AHF

funding is requested. For a rental Project, the Applicant Team includes Developer, Property Management, Supportive Services Provider, and Additional Supportive Services Provider, if applicable, and shall collectively demonstrate 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 non-profit 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:
 1. Has moved frequently (two or more times during a 60-day period) because of economic reasons; **or**
 2. Is living in the home of another because of economic hardship; **or**
 3. Has been notified in writing that their right to occupy their current housing or living situation will be terminated; **or**
 4. 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**
 5. Lives in severely overcrowded (more than two (2) people per bedroom or sleeping area such as a living room) housing; **or**
 6. Is exiting a publicly-funded institution or system of care; **or**
 7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

“Average Affordability”: The weighted average Area Median Income (AMI) level of the total Project, determined by multiplying the number of Units at each AMI level (in 10% AMI increments) by the corresponding AMI percentage and then dividing by the total number of Units in the Project. For example, in the case of a 30-Unit Project with 10 Units at 30% AMI, 5 units at 50% AMI, and 15 units at 60% AMI, the Average Affordability is 48% AMI, calculated as follows: $(10 \times 30\%) + (5 \times 50\%) + (15 \times 60\%) \div 30 = 48\%$ AMI Average Affordability.

“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 NOFA, expected to be 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 \$250 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 Farmworker or Supportive Housing Units and satisfies requirements for a COSR under DOH Underwriting Guidelines.

“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 one (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 is 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’s definition of “disability,” except that “developmental disability” must also satisfy the requirements of 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 and thereby avoid institutional settings or homelessness.

“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 FTTHO 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 are limited to New Construction Rental (“NCR”), Re-syndication Rehabilitation Rental (“RRR”), and New Construction First Time Home Ownership (“FTTHO”). 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 two (2) 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

- (1) chronic homelessness or
- (2) 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:
 - (1) The Whole Person Care pilot program, or successor program; or
 - (2) Other appropriate Health System program.
- (4) Is likely to improve his or her health conditions with Supportive Housing.

“High Quality Transit Stop” includes estimated stops along High Quality Transit Corridors, plus major transit stops for bus rapid transit, ferry, and rail modes as described in Public Resources Code 21155, 21064.3, 21060.2.

“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: Homeless- referring to a person or family who lacks a fixed, regular, and adequate nighttime residence, meaning any of the following:

- 1. 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
- 2. 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
- 3. 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: Homeless- imminent loss of primary nighttime residence- referring to a person or family who will imminently lose their primary nighttime residence, meaning all of the following:

- 1. Their residence will be lost within 14 days of the date of their application for homelessness assistance;
- 2. They have not identified a subsequent residence; and
- 3. They lack the resources and support networks needed to obtain other permanent housing.

Category 3: Homeless - Unaccompanied Youth and Families with Children- referring to an unaccompanied youth under 25 years of age or family with children and youth who are deemed homeless by another federal statute and meet all the following:

- 1. They have not been on a lease or occupancy agreement or owned a residence in the prior 90 days;
- 2. They have moved three or more times in the prior 90 days; and
- 3. Can be expected to continue in such status for an extended period of time because of they have one or more of the following conditions:
 - 1. chronic disabilities
 - 2. chronic physical or mental health conditions
 - 3. substance addiction

4. histories of domestic violence or childhood abuse
5. child with a disability
6. 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: Homeless - Domestic Violence- referring to a person or family who meets all of the following criteria:

1. They are fleeing or attempting to flee domestic violence, which includes but is not limited to sexual violence, dating violence, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
2. They have no other residence; and
3. 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.

“Live-Work Preference”: A preference for applicants of a Project who live or work in a specified jurisdiction, as defined in an ordinance adopted by that jurisdiction in compliance with Government Code Section 7061. Both the enabling ordinance and each individual Project to which the preference is applied must satisfy state and federal Fair Housing and other legal requirements.

“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 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-restricted 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,

and in the absence of Project-Based Vouchers, must be affordable to households with incomes up to 20% of Area Median Income. See Appendix B for a description of MHPA 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, or 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.

“Predevelopment Project”: A Project not expected to start construction before January 1, 2029, which elects to be evaluated with the benefit of certain modifications to Threshold Requirements designed to accommodate early-stage projects.

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

“Public Employee Housing Preference”: To the extent allowed by law, a preference for applicants who are employees of the County of San Mateo and/or other local public agencies, (including cities, special districts, or the state or federal government), and have household incomes that do not exceed 80% of Area Median Income. Specific categories of public agency employment may be approved to satisfy the Public Employee Housing Preference for a specific Project in the sole and absolute discretion of DOH. In no case shall more than 25% of a Project’s Units be designated to satisfy the Public Employee Housing Preference.

“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. To qualify as an RRR project, the Project must require substantial rehabilitation that is proven based on a capital needs assessment approved by the County, the Project is nearing the end of its affordability term and the Project’s re-syndication would preserve existing or lower affordability restrictions for an additional 55-year term.

“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 25% of the Project’s total Units as Supportive Housing Units (which may include 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 households become and remain successfully housed. Each Supportive Housing Unit must be supported by a minimum services budget of \$1,000 Per Unit Per Annum. 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; 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 to 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:

1. limit occupancy to income-eligible households,
2. describe any preferences which the Project will implement,
3. give notice to applicants of rejection and grounds for rejection,
4. manage applicants on a waitlist for occupancy in the Project,
5. utilize Doorway, the County’s approved affordable housing listing portal,
6. provide for any specialized referral methods needed for Supportive Housing Units to ensure coordination of housing with supportive services;
7. comply with County live-work preference policies, including limitations on the number of Units allowed to be subject to a city-imposed live-work preference; and
8. 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 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 (VHHP) 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 AVAILABLE SOURCES OF FUNDS

The following description of AHF Funding Sources is a summary of various funding sources and does not include all restrictions and terms that might result from the specific funding source. It is the responsibility of the Applicant to research and determine whether a specific funding source is appropriate for a specific Project.

(1) MEASURE K AND IMPACT FEES

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 addition, DOH, in its sole and absolute discretion, may also award Measure K funds recovered from former awards because of a Project’s funding source changes or a Project not meeting conditions of an original award letter. 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 [Measure K Oversight Committee | County of San Mateo, CA \(smcgov.org\)](http://smcgov.org). Each Project proposed for funding under the AHF NOFA must return to the Board of Supervisors for final approval, following review and recommendation by the County’s Housing and Community Development Committee (HCDC).

B. Conditions of Measure K Funding. The AHF 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 as of the release of the AHF NOFA. Projects that receive awards under this NOFA will be bound by subsequent changes to Appendix D adopted up to the date a Loan Agreement is executed. 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:

- (1) Uniform Relocation Act
- (2) Non-discrimination and Affirmatively Furthering Fair Housing Laws
- (3) Violence Against Women Act (VAWA)
- (4) Right to Report from Home Act
- (5) Americans with Disabilities Act
- (6) 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 (BABA) Section 3, and the National Environmental Protection Act (NEPA). These only apply to Projects that use certain federal housing finance programs.

A Project financed with Measure K funds shall comply with state prevailing wage laws unless the Project is also subject to federal Davis-Bacon wage laws, in which case the higher of the two wage standards shall govern the Project.

C. Addressing Homelessness and Other High Priority Needs. The County requires that at least 15% of a Project's Low-Income Units be restricted to rent levels affordable to households at or below the Extremely Low-Income (ELI) level. Units designated to meet the Homeless Preference Threshold must be ELI Units and may be counted toward the 15% requirement. In addition, the County uses a competitive scoring rubric to prioritize the award of 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, County Health, and the Golden Gate Regional Center have a measurably greater impact when coordinated with stable, affordable housing. The County also prioritizes the award of funds to Farmworker Projects and Large Family Projects.

D. Impact Fees

The County of San Mateo collects certain development impact fees because of the nexus between certain types of new development and the need for affordable housing. For Projects located in unincorporated San Mateo County only, the AHF NOFA may make available County Impact Fees to be awarded on the same terms and conditions as awards of Measure K funds.

II. MENTAL HEALTH SERVICES ACT FUNDS

A. Legal Authority. Projects may receive an award of Mental Health Services Act (MHSA) General Systems Development funds subject to the requirements of the California Welfare and Institutions ("W&I") Code section 5892.5(a) and the California Code Regulations Article 6 Section 3630.05 and 3630.10 for the development of affordable rental housing for income qualifying persons receiving MHSA services from the County's Behavioral Health and Recovery Services agency ("BHRS") because they are both seriously mentally ill and homeless or at risk of homelessness.

B. Conditions

1. Funding for MHSA Units is typically limited to a maximum of \$200,000 per Unit.
2. MHSA funds may be applied to the Project's Acquisition Costs, Pre-development Costs, Construction Costs, a Capitalized Operating Subsidy Reserve (COSR), and Permanent Financing, as these categories of expenses are defined for the Measure K program.
3. The loan of MHSA funds may be included in the Primary County Promissory Note and Primary County Deed of Trust, providing, among other terms, for:
 - a. a loan term of 55 years from the Project Completion Date (but not more than 62 years from the date of the Promissory Note);
 - b. interest to accrue at the rate of 3%;
 - c. repayment of the loan from Residual Receipts.
4. The affordability and other restrictions that apply to the MHSA Units shall be incorporated in the Primary County Regulatory Agreement, which is subject to enforcement for specific performance for a term of 55 years from the Project Completion Date.
5. MHSA Units must be affordable to households with incomes up to 20% of Area Median Income unless a higher Area Median Income is approved by BHRS because the MHSA Units are supported by Project-Based Vouchers, a Capitalized Operating Subsidy Reserve, or other dedicated rental subsidy or operating subsidy source. The term of such affordability restriction is 55 years from the Project's completion of construction, as evidenced by a Certificate of Occupancy. An otherwise qualified

applicant for an MHSA Unit may not be denied housing solely on the basis of not meeting minimum income requirements as long as the applicant's income would meet minimum income requirements for a Unit with rent restricted to 15% of Area Median Income.

6. MHSA Units shall typically be a designated number of studio or 1 Bedroom apartments unless a larger unit size is approved by BHRS in writing.
7. MHSA Units shall be filled by referrals of eligible households by BHRS.
8. MHSA Units shall be floating units in order to ensure that the Project maintains the initial type, affordability, and number of MHSA Units over time.

C. Additional Conditions. Not later than six months prior to completion of construction of the Project, the Borrower shall execute a Memorandum of Understanding (MOU) with BHRS setting forth the terms for tenant referral and selection, and the continuation of supportive services by BHRS. The MOU shall include the following terms and such other terms and conditions which the Borrower and BHRS agree will facilitate the housing stability of households referred to MHSA Units by BHRS.

1. BHRS shall maintain a referral wait list of clients eligible for MHSA Units. When an applicant is referred by BHRS for an available MHSA Unit, BHRS agrees that the Borrower, the property manager and the primary service provider may rely on the BHRS determination of the client's qualification as severely mentally and homeless or at risk of homelessness.
2. BHRS agrees that when a BHRS client occupying an MHSA Unit notifies the Borrower that the household will vacate the MHSA Unit, the Borrower will notify BHRS within seven days of such notification. Within five business days of receiving receipt of the notification from Borrower, BHRS will then provide to the property manager and Borrower the names of at least three BHRS clients from the referral wait list who have been screened as set forth in Section (1) above.
3. The property manager shall then review the BHRS-referred clients for the MHSA Units by conducting the tenant screening, applying the Project's approved tenant selection criteria, as well as Housing First principles.
4. The property manager shall notify BHRS in writing of the outcome of the tenant screening, identifying the specific reasons for the denial of any referral and describing the applicant's right to appeal the denial.
5. If the initial three applicants referred by BHRS for each vacant MHSA Unit are not selected for or do not accept the vacant MHSA Unit, then BHRS will provide the next three referrals from the wait list within seven days of a request for additional referrals from the property manager.
6. To facilitate the timely screening of applicants for vacant MHSA Units, BHRS shall recertify BHRS clients on the BHRS wait list periodically to ensure that the referral list is current, that applicants can be contacted in a timely manner, and that those on the referral list remain eligible for MHSA Units.
7. BHRS shall provide and actively promote its mental health and substance use services and arrange with the Borrower for the provision of additional housing-related support services (service coordination, transportation, development of skills to maintain housing, support on wellness, and recovery goals, etc.), to BHRS clients occupying MHSA Units for a period of at least 20 years from the initial leasing of the MHSA Units. BHRS further agrees that it will engage in good faith, reasonable efforts to continue providing services or arranging for the

provision of services to BHRS clients who are residents of MHSA Units for the balance of the 55-year period of the Primary County Affordability Covenant.

8. The Borrower acknowledges and agrees that in addition to other monitoring and reporting requirements of the County, the loan of MHSA funds makes the Project subject to monitoring by BHRS and the California Department of Health Care Services for compliance with California Welfare and Institutions (“W&I”) Code section 5892.5(a) and the California Code Regulations Article 6 Section 3630.05 and 3630.10 governing the use of MHSA General Systems Development funds for the development of affordable rental housing.

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APPENDIX C
OVER-THE-COUNTER NOFA PROCESS FOR RE-PROGRAMMED FUNDS

1. Re-Programmed Funds include:

1. funds awarded through this AHF NOFA process or a prior NOFA process that are recaptured by DOH after the scheduled AHF HCDC Study Session as a result of AHF award conditions or Project cost savings; and
2. funds that are made available through this AHF NOFA but are not awarded to Projects.

2. **Awarding of Re-Programmed Funds.** Re-Programmed Funds may be retained for the next scheduled AHF NOFA or distributed by an over-the-counter NOFA (“OTC NOFA”) that will open upon DOH’s receipt of Re-Programmed Funds and will close upon 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.

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

- a. the Project is an Eligible Project type as defined by the most recent AHF NOFA,
- b. the Project qualifies for the maximum number of competitive points available under at least one of the following four AHF NOFA Competitive Points categories: Location, Leveraging, Affordability, or Priority Needs Projects,
- c. the Project has received an award from one of the four most recent AHF NOFAs, or DOH’s most recent federal funding NOFA; and
- d. at least one of the following urgency conditions applies:
 - i. 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**
 - ii. 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.

4. **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.

5. **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.

6. **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.

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APPENDIX D

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

I. INTRODUCTION

1. Purpose. The following guidelines are intended to assist applicants for County of San Mateo Department of Housing (“DOH”) loans for affordable housing development to prepare financing applications and to understand the terms and conditions that will be imposed by County of San Mateo affordable housing loan documents. These guidelines will govern DOH staff review of financing applications and will guide funding recommendations to the Housing and Community Development Committee and the Board of Supervisors. DOH may review and approve or disapprove any requests for waivers in its absolute and sole discretion.

2. Revisions. These guidelines will be updated from time to time, and revisions will be incorporated in the Loan Agreement for any Project that has not yet closed on construction financing escrow, allowing the project to immediately start construction, unless a waiver of such updated guidelines is approved by DOH in its sole and absolute discretion.

3. Not a Contract. Notwithstanding anything to the contrary herein, this document provides a non-binding summary of specified terms of County loan documents and underwriting policies for informational purposes only and is not a contract or agreement; the governing terms and conditions of any County loan will be set forth in an integrated written agreement that will not be binding until approved and executed by the County.

II. LOAN TERMS

1. Loan Documents. In addition to the Regulatory Agreement described in Section III below, an award of funds under an Affordable Housing Fund (AHF) 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. In no event will DOH agree to subordinate its deed of trust to the lien of a lender affiliated with, controlled by, or controlling the Borrower, a general partner of the Borrower, or any entity or person controlled by or controlling the Borrower. The Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement, and other documents that may be required by the County in connection with the AHF Award (Loan Documents) as summarized here are subject to and shall be in a form and in substance agreeable to the County in its sole discretion.

a. Amount and Source of Loan Principal. All funding awards are subject to further due diligence review by DOH prior to loan closing. The source of the award may be changed after the award date in the reasonable exercise of DOH’s discretion, including consideration of the impact on the Project’s development or operating costs. The amount of the award may be reduced or increased if DOH determines, in its sole discretion, that the full amount of the award is not necessary to achieve financial feasibility, or if the amount is insufficient to achieve DOH’s housing goals and objectives. DOH may request additional documentation from successful applicants during underwriting, including applications for funding from other public and private entities.

b. Term. The typical loan term is 55 years from the date of Certificate of Occupancy, but not more than 57 years from the date of recording of the Deed of Trust.

c. Interest and Residual Receipts.

- i. The Loan Agreement is expected to provide for the Promissory Note to accrue simple interest at a rate of 3% annually from the date specified in the Loan Agreement, which in most cases is the date of the Project's Certificate of Occupancy. Any accrued interest is subject to repayment from Residual Receipts prior to the application of Residual Receipts to payment of the principal amount of the loan. Loans from the Housing Authority of the County of San Mateo are typically not interest-bearing, but repayments of principal are also subject to repayment from Residual Receipts.
- ii. When DOH is the only public sector lender with a loan repayable from Residual Receipts, the Loan Agreement requires 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 date of Certificate of Occupancy. 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.
- iii. When the Project includes other public sector or nonprofit subsidy lenders whose loans are also repayable from Residual Receipts, DOH may, in its sole discretion, require 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 may be documented in an Intercreditor Agreement among all the affected subsidy lenders.
- iv. Any remaining Residual Receipts may be distributed to the Borrower. Except for any deferred developer fee specifically allowed to be paid before the allocation of Residual Receipts pursuant to Section C(9) below, 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 other incentive fees and any General Partner loan repayment other than a sponsor loan funded solely by a state HCD grant.

2. Request to Lower Interest Rate. A decision whether to grant a request for a reduced interest rate is subject to the County's sole exercise of its discretion. The County will not consider a request to lower its interest rate unless a lower interest rate has been approved in writing by an incorporated city and any other public sector subsidy lenders including the California Department of Housing and Community Development with respect to any financing such public sector subsidy lender is providing. The request must describe the reason a lower interest rate is necessary; explain why the need for a lower interest rate was not able to be anticipated at the time of the AHF application; show that the reduction in interest rate is the lowest possible reduction to ensure the financial feasibility and long term affordability of the Project; show that the burden of the reduced interest rate has been proportionately borne by all other subsidy lenders; and attach financial projections prepared by a consultant acceptable to the County modeling the Project financing with and without the reduced interest rate including the difference in investor capital accounts with and without the requested interest rate reduction.

3. Insurance Requirements. Borrower and its Administrative and Managing General Partner as applicable shall be required to maintain comprehensive general liability in a minimum amount of \$1 million and professional liability insurance in the minimum amount of \$1 million, and if the Borrower or Administrative or Managing General Partner has employees, Worker's Compensation coverage not less than the statutory minimum, employment liability insurance in a minimum amount of \$1 million and motor vehicle liability insurance in a minimum amount of \$1 million. DOH will also require 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 also be required to maintain general liability coverage of at least \$1 million and Workers Compensation coverage not less than the statutory minimum. The Architect and Engineer contracted for the Project shall be required to maintain professional liability coverage in the minimum amount of \$2 million, Workers Compensation coverage not less than the statutory minimum, motor vehicle liability insurance in the minimum amount of \$1 million, and general liability coverage of \$1 million per occurrence. Upon expiration or termination of the builder's risk insurance, Borrower shall maintain a standard fire and extended coverage policy in the amount of at least the full replacement value of the improvements which are part of the project. DOH reserves the right in its sole discretion to require additional coverage, including coverage of additional members of the Applicant Team, to ensure adequate coverage for risks of the Project. Proof of insurance in the form, type, and coverage required by the County must be provided prior to execution of loan documents.

4. Limits on Disbursement. Funds may be drawn for pre-development, acquisition, construction, and permanent financing, including eligible expenses incurred prior to the award of AHF fund, but no funds will be disbursed until all required loan documents have been fully executed by the parties. In addition:

- a. Disbursements are for reimbursement of paid expenses, except for expenses, such as land acquisition, that will be paid through a third-party escrow. Upon the start of construction, construction costs may be reimbursed based on submission of invoices, AIA certifications and conditional or unconditional lien releases. However, soft costs incurred during construction will only be paid on a reimbursement basis.
- b. Disbursement of funds for acquisition or predevelopment expenses before the close of escrow for the Project's construction financing is in the DOH's sole discretion. In exercising its discretion, the DOH may request the Applicant (or Borrower) to provide evidence of the progress made and how predevelopment funds would contribute to the progress of the project, the lack of other resources to pay predevelopment expenses, the amount and maturity date of other indebtedness to which the County's predevelopment loan would be subordinate, and the likelihood that the project will secure tax credits and other financing commitments as a result of the County's assistance with predevelopment expenses.
- c. In no event will the disbursement of predevelopment funds committed to a Project before the close of escrow for the Project's construction financing exceed the lesser of a total maximum amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) or 3% of Total Development Costs ("TDC") until such time as the Applicant (or Borrower) has acquired fee title to the real property, or a long term leasehold, and is able to convey a Deed of Trust to secure the AHF Promissory Note and record a Regulatory Agreement as described in Section III below.

d. In no event will the disbursement of predevelopment funds committed to a Project before the close of escrow for the Project's construction financing exceed the lesser of Two Million Dollars and Zero Cents (\$2,000,000.00) or 3% of Total Development Costs ("TDC").

5. Loan Draws and Change Orders. Requests for reimbursement of expenses authorized under the executed Loan Agreement shall be made quarterly before the start of construction using the forms supplied by DOH, which are expected to be completed in CDS unless authorized by the DOH project manager to be submitted as an attachment to email, and may be submitted monthly during the construction period. DOH's prior written approval is required for any proposed change order that will exceed \$250,000. 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. Copies of all change orders shall be provided to the County on a monthly basis, whether positive or negative. A no-cost change order shall also be submitted for prior approval by DOH in the event of any construction schedule change that would extend the Project Completion date set forth in the schedule of performance in the Loan Agreement.

6. Termination of Award Letter or Loan Agreement. An AHF Award Letter or Loan Agreement is conditional and subject to termination in DOH's sole discretion for the Borrower's failure to meet any required conditions or achieve the specified milestones on the approved schedule and in any event if construction of the Project has not commenced within three years of the Award Letter Date unless a longer period is specifically provided and approved in an amendment of the Award Letter or Loan Agreement as applicable. 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 two years of the construction loan closing unless a longer period is specifically provided for in the Loan Agreement. Failure to meet the deadline imposed by California Tax Credit Allocation Committee for placing the project in service shall also result in termination of the Loan Agreement. In the event of any termination, DOH may utilize the rights and remedies granted to it by the Loan Agreement, Promissory Note, Deed of Trust, Security Agreement, or other loan documents.

7. Withdrawals from Reserves. Prior to the use of funds from any reserve account, Borrower must submit written request to DOH for approval to withdraw funds from any reserve account if such withdrawal would exceed Five Thousand Dollars and Zero Cents (\$5,000.00).

8. Federally Funded Activities. All federally funded activities must adhere to the federal government's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) as well as the HOME Program Requirements (24 CFR part 92) and/or CDBG Program Requirements (24 CFR part 570). In the case of a Federal Award, if the AHF 14 Underwriting Guidelines conflict with the federal guidelines, the federal guidelines will prevail.

9. 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.

III. REGULATORY AGREEMENT

1. Purpose. 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 (including tenant preferences) 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 G below, Units designated as HOME Units may be restricted by a program-specific Affordability Covenant, but at the end of the term of such program-specific Affordability Covenant, those Units shall then be subject to the primary DOH Regulatory Agreement.

2. 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, excluding any approved manager's unit(s). 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. Float-Up Upon Termination of Rental Subsidies. Among other terms, the Regulatory Agreement may, in DOH's sole and absolute discretion, allow for the "float-up" of income and rent limits for Units that have received certain time-limited rental subsidy or operating subsidy commitments (for example, Project-Based Vouchers or a state or local award to fund a Capitalized Operating Subsidy Reserve) AND the subsidy expires or is subsequently reduced or terminated through no fault of the Borrower. In such event, the Borrower must first seek alternative sources of rental assistance, rental subsidies, or other funding sources to fund the financial gap, if any, resulting from the reduction or loss of the subsidy. The terms of any approved "float-up" provisions included in the Regulatory Agreement and DOH's subsequent approval of any actual "float-up" request shall be in DOH's sole and absolute discretion and shall be limited to the amount necessary for the Project's continued financial feasibility, as determined by DOH in its sole and absolute discretion. In no event shall such approved "float-up" exceed rent and income levels higher than 60% of Area Median Income as identified by the California Tax Credit Allocation Committee or a lower percentage of Area Median Income imposed by a specific state or federal funding source administered by DOH (for example, 30% of Area Median Income for Housing for Healthy California Units). An approved "float-up" shall be administered with the goal of minimizing disruption to and reducing displacement of existing tenants, by, for example, applying the approved "float-up" first to vacant Units and to Units occupied by tenants with actual income closer to the new "float-up" limit. The Regulatory Agreement shall require the Borrower to provide any tenants in Units approved for a "float-up" with timely and proper written notice of any rent increase as required by applicable federal, state, and/or local laws and regulations, including without limitation Government Code Section 65863.10, 65863.11 and 65863.13.

4. Floating Units. Among other terms, the Regulatory Agreement may, in DOH's sole discretion, 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.

5. Preference or Set-Aside Units. Among other terms, the Regulatory Agreement shall define the terms under which any AHF-Restricted Units may be subject to a specific tenant preference or set-aside, including, but not limited to, any homeless or special need preferences or set-asides; farmworker preferences or set-asides; public employee preferences or set-asides; or local live-work preferences.

6. Seniority of the Regulatory Agreement. Unless DOH grants an exception in its sole and absolute discretion to facilitate the Borrower securing another long-term, low-interest, deferred 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.

7. 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, which in the case of new construction projects is the date of Certificate of Occupancy. However, restrictions required by certain federal funding sources (HOME) 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 Regulatory Agreement, those Units shall then become AHF-Restricted Units for the balance of the 55-year period of AHF restrictions.

8. 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 Certificate of Occupancy, 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.

9. Tenant Protections. DOH's Regulatory Agreement will require that tenants be offered an initial one-year lease term. Leases shall be subject to compliance with "just cause" eviction protections 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.

10. Local Live-Work Preferences. All AHF-regulated units shall be subject to a County of San Mateo live-work preference, which shall be (a) a primary preference on Units not subject to an approved city live-work preference and (b) a secondary preference on Units subject to an approved city live-work preference. DOH's Regulatory Agreement will allow for the implementation of city-imposed live-work preferences in filling vacant Units only under the conditions set forth below. DOH's prior approval is required for any city-imposed live-work preference, and unless a waiver is approved in DOH's sole and absolute discretion, any city-imposed live-work preference will be limited in application to the greater of 51% of the Project's total Units OR the percentage of Units that equals the percentage of city financial contribution to the Project compared to the sum of City and County financial contributions. After reviewing the demographic analysis of the live-work preference area compared to the demographic analysis of the Project's housing market area prepared by a qualified third-party consultant, DOH may approve a city-imposed live-work preference only if it has been determined in its sole and absolute discretion to comply with Fair Housing requirements. Furthermore, DOH will not approve a city-imposed live-work preference for:

- a. any HOME-assisted Units or
- b. any Units benefiting from Project-Based Vouchers, other county rental subsidy program or Capitalized Operating Subsidy Reserve, or
- c. any Units required to be filled from a specific county referral program.

In calculating the City's or County'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 with appropriate documentation of fair market value and third-party statement of the waived fees. Prior to approving any award of AHF funds to a Project in an incorporated City with its own live-work preference, DOH will require acknowledgment by the developer and the City of the foregoing County policy limiting the impact of any City-imposed live-work preference.

11. Enforcement of Homeowner Resale Restrictions. In the case of a First-Time Home Ownership 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 to the approved percentage of Area Median Income not to exceed 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.

IV. UNDERWRITING POLICIES

1. Purpose. DOH has adopted the following underwriting policies for affordable rental Projects and may apply different policies for First-Time Home Ownership 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 NOFA shall conform to these underwriting policies.

2. Market Feasibility. The rent levels proposed in the 30-year cash flow projections, even if otherwise allowed by AHF threshold and competitive scoring criteria, shall be supported by evidence of effective demand by the specific target population in a specific location. In general, proposed rents should be at least 10% less than market rents in the vicinity of the project. Effective demand shall be demonstrated in a market feasibility study not older than 12 months from the application submission date and updated from time to time at the request of DOH, unless DOH in its sole and absolute discretion accepts an alternative method of establishing effective demand. Evidence of effective demand is particularly important for:

- a. Supportive Housing Units with rent higher than rent that is affordable to households with incomes of 20% of Area Median Income;
- b. Senior Units with rent higher than rent that is affordable to households with incomes of 50% of Area Median Income; or
- c. Large Family Units with rent higher than rent that is affordable to households with incomes of 60% of Area Median Income.

3. Availability of Rental Subsidies. Any assumptions made by the Borrower about the availability of Project-Based Vouchers or tenant-based vouchers for the targeted units shall be supported by a letter confirming the same from the Housing Authority of the County of San Mateo (HACSM). Assumptions made about other rental or operating subsidies from a source other than HACSM shall also be supported by a commitment letter showing the funding source, the amount of subsidy per Unit, and other similar conditions.

4. Tax Credit Investment Ratio. The expected investment for each dollar of tax credit investment shall be reasonable in DOH's judgment, but not less than \$.80 per dollar of credit or more than \$.85 per dollar of credit unless supported by a binding commitment letter from a tax credit investor in effect for at least six months and subject only to conditions not within the control of the Applicant (or Borrower) or the tax credit investor.

5. Debt Service Coverage Ratio of 1.15. The Project must, in its first year of operations, 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). After the first year, the Project must demonstrate sufficient net operating income to cover all required debt service, unless an exception is made for a Permanent Supportive Housing project with an approved Capitalized Operating Subsidy Reserve.

6. Availability of Sources. The Project must be financially feasible using sources of funding that are (a) sufficient in total to cover reasonably budgeted uses and (b) committed in writing to the Project. Sources that are uncommitted must be demonstrated to be funded by a third party for projects of this type, available to receive applications on the schedule proposed by the Project. This can be demonstrated by a conditional letter of funding commitment or by published program guidelines of a public entity that show the funding availability and application timeline. In evaluating whether highly competitive third party sources, such as state HCD programs or Low-Income Housing Tax Credits, are available, consideration shall be given to the total amount budgeted for the program in the applicable round and the project's self-score for such competitive funding source compared to the published scores of similar projects most recently awarded that source.

7. 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.

8. Wage Assumptions. All projects financed by the County of San Mateo from any source shall satisfy the San Mateo County Living Wage Ordinance. It is the sole responsibility of the Applicant (or Borrower) to determine the applicability of State prevailing wage rates to their Projects and any exemptions with advice of its own legal counsel. State prevailing wage rates shall be satisfied by any project receiving funds from sources that require compliance with state prevailing wage, except that, if higher than state prevailing wage rates or local Living Wage rates, Davis-Bacon wage rates shall apply to a Project if required by certain federal funding programs administered by DOH (for example, CDBG, HOME) or HACSM (for example, Project-Based Vouchers). When DOH is responsible by the terms of pass-through state or federal funding for ensuring the Applicant's (or Borrower's) compliance with state or federal prevailing wage requirements, the Applicant (or Borrower) shall before the start of construction provide evidence that it has retained an independent third-party labor compliance consultant to report findings to DOH in the form and on the schedule required by DOH.

9. Minimum Operating Expenses. The Project's operating expense assumptions must be reasonable and satisfy CTCAC minimum requirements based on type of Project. The operating expenses should include an expense category of at least \$500 Per Unit Per Annum (PUPA) for general resident services and at least \$1,000 PUPA for services supporting Supportive Housing units.

10. Operational Feasibility. The Project must be able to operate on a break-even basis for at least twenty years with any allowable Capitalized Operating Subsidy Reserve or available rent subsidies. The operational feasibility must also include the Minimum Operating Expenses as required above. If the Project's cash flow is projected to be negative at any point during the County's 55-year affordability period following the first twenty years of operation, the Applicant (or Borrower) must describe a specific plan of action for addressing the shortfall over time.

11. 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. Any balance remaining upon achieving Permanent Financing Conversion shall be included in construction cost savings that are subject to distribution as provided in Section D(5)(a). 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.

12. Loan to Value Ratio. Loan proceeds from all sources shall not exceed 75% of current appraised value assuming completion of the planned improvements.

13. Developer Fees. Developer Fees for Low Income Housing Tax Credits (LIHTC) Projects shall consist of all fees defined by the California Tax Credit Allocation Committee (CTCAC) as developer fees, and shall be allowed by DOH in the amount permitted by CTCAC, except that, with respect to a 4% LIHTC Project, the amount of such developer fee that is greater than the maximum fee allowed for a 9% LIHTC Project shall either be contributed as equity to the Project or paid from the developer's share of Residual Receipts. Deferred developer fees, whether for a 4% or a 9% LIHTC Project, shall be allowed up to the period of deferral allowed by CTCAC but shall be paid solely from the developer's share of Residual Receipts except for any deferred amount that complies with the Developer Fee limits imposed by a 9% LIHTC Project ("priority deferred developer fee"). For example, a LIHTC Project may defer a portion of the Developer Fee up to the total Developer Fee limits imposed by the 9% LIHTC Program and receive payment of this Deferred Developer Fee prior to the distribution of Residual Receipts payments. However, any Deferred Developer Fee amounts that result in total Developer Fees that exceed the limits imposed by the 9% LIHTC Program must be repaid from the developer's share of Residual Receipts. Projects using the LIHTC program with more than 100 units may request approval, in DOH's sole and absolute discretion, of an additional developer fee equal to Twenty Thousand Dollars and zero cents (\$20,000.00) per every Unit above 100 units, but not to exceed a total maximum Developer Fee of Three Million Five Hundred Thousand Dollars and zero cents (\$3,500,000.00). For Projects not using the LIHTC program, the amount and timing of Developer Fees shall be reasonable in DOH's sole and absolute discretion based on comparison of the Project to similar Projects of that type and size.

14. Partnership Management, Asset Management, and Similar Partner Fees. Partnership Management, investor Asset Management and any 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 \$42,099 annually beginning in calendar year 2026 and increasing at a rate of 3.5% annually thereafter. Partnership Management, investor 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. In no event shall an interest rate be applied to any accrued amounts. Any investor-required Asset 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.

15. 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).

16. 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, including partner fees, are expected to increase at a rate of 3.5% annually.

17. 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. A Construction Completion Guaranty may be accepted in lieu of a Payment and Performance Bond if approved by DOH's Director of Housing in his or her sole discretion after review of the guarantor's liquidity, credit history and other factors.

18. 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.

19. Capitalized Operating Subsidy Reserve (COSR). In the case of a New Construction Rental Project which is otherwise financially feasible, DOH may approve in its sole and absolute discretion the use of AHF funds to create a Capitalized Operating Subsidy Reserve (COSR) to facilitate the creation of Farmworker Housing Units and Supportive Housing Units eligible for competitive points as Priority Needs. The COSR shall be in addition to the COR required of all rental Projects and shall be sized for a fifteen-year term, assuming rents that are feasible for the targeted population but not more than 30% of Area Median Income. The amount of the COSR shall be limited to the lesser of (a) the amount needed to cover the Project's total operating deficits and (b) the amount that solves for the net operating deficit of the specific Units which the COSR is intended to support, after including the operating costs and supportive services of those Units but excluding any share of permanent loan debt service payment, partnership fees, and deferred developer fees. The COSR funds shall in DOH's sole and absolute discretion be held in (a) a DOH-controlled account in which DOH has the right to approve annual COSR disbursements for the Project, or (b) an interest-bearing account in a reputable financial institution with interest re-invested in the COSR which grants DOH the right to approve annual requests to draw on the funds in the COSR. At the expiration of the COSR's term, any balance of a COSR funded by DOH shall be maintained solely for specific purposes

that benefit the Project or returned to DOH, in DOH's sole and absolute discretion. Under no circumstances shall any COSR balance be distributed to partners, including when the investor limited partner exits from the Project.

20. Capital Replacement Reserves. All rental Projects shall provide for a reserve for capital replacements of the Project improvements funded at the greater of \$250 per Unit per year or a higher amount per unit per year requested by another lender or investor and approved by DOH in writing. 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.

21. Withdrawals from Reserves. Prior to the use of funds from any reserve account, Borrower must submit written request to withdraw funds from any reserve account if such withdrawal would exceed Five Thousand Dollars and Zero Cents (\$5,000.00).

22. 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, Impact Fee, General Funds, and other local funding provided through the AHF loan which must be paid in full at the time of the construction loan closing. Any HACSM funds committed to the project will also be subject to this loan origination fee. When a federal or state financing source provides an administrative fee to DOH, those federal or state sources are not considered in calculating the amount of the loan origination fee.

23. Loan Servicing and Monitoring Fee. As described below, DOH will charge an annual loan servicing and monitoring fee after a project is placed in service.

24. DOH Legal Counsel Fees. DOH's legal counsel fees are an eligible Project expense which shall be paid from the Project construction loan closing proceeds and additional fees incurred after the construction loan closing shall be paid from the permanent loan closing. Such fees typically will not in the aggregate exceed \$50,000 up to the date of the construction loan closing, 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.

25. 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.

26. 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% of other soft costs, with higher amounts allowed during the early stages of a Project, with the expectation that the contingency will decrease to not more than 5% of other soft costs as the timeline approaches construction loan closing.
- c. Excess Contingency:** Any balance of contingency funds remaining at the permanent loan conversion shall be included in the calculation of cost savings to be allocated among lenders as set forth in Section D.

27. Organizational and Project Management Capacity. Unless a specific exception is made for Emerging Developers, applicants for AHF funding must demonstrate organizational capacity that meets DOH requirements as well as the underwriting requirements of tax credit investors and other lenders.

- a.** Evidence of the financial condition of the developer, the property management company, and the supportive services provider, as well as their organizational good standing will be reviewed. Financial statements, certificates of compliance, and other evidence of financial capacity and organizational good standing provided for a special purpose entity formed specifically for the Project are not sufficient to satisfy this requirement.
- b.** DOH will also consider its actual prior experience with borrowers during construction period, monitoring and operation of properties in the DOH portfolio of funded projects. If there are outstanding concerns with regard to performance, compliance, or capacity, DOH may require corrective action as a condition of a new funding approval for the same or a new project.
- c.** Borrower will be required to document the experience and capacity of key staff, their workloads, and their tenure with the organization.
- d.** DOH will also consider the organization's asset management capacity to address the financial performance and capital needs of their existing portfolio.

V. REPORTING, COMPLIANCE MONITORING, AND LOAN SERVICING

1. Purpose. To ensure that the funded Project performs in accordance with loan terms, an award of AHF funds is subject to a detailed program of reporting, inspections, and compliance monitoring, including regular written reports, expenditure reports, financial statements, and onsite inspections of the Project and Project records.

2. Quarterly Progress Reports. Borrower shall submit quarterly progress reports from the date of the Borrower's acceptance of the Award Letter under this AHF 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 unless approved to be submitted by email by the DOH project manager. 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. Reporting shall continue until Permanent Conversion, and the frequency may be increased or decreased at different stages of Project development with approval of DOH.

3. Monitoring During Construction/Rehabilitation. From the start of construction:

- a. DOH shall receive by email a copy of all Owner-Architect-Contractor (OAC) meeting minutes during construction with photographs documenting progress of construction and 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 onsite monitoring.
- b. Monitoring and Reporting for Labor-Related Compliance.** Unless waived by DOH in writing, the Borrower shall retain an independent labor compliance consultant to review and track its labor-related compliance and shall submit a copy of this contract to DOH for review and approval prior to start of construction. In order to (a) ensure compliance with state prevailing wage laws or federal Davis-Bacon requirements if applicable, and (b) to further DOH's goals to promote the consideration in contracting to the extent permitted by law of (1) MBE, WBE, DBE contractors, sub-contractors, and suppliers participating in the development of County-owned property and properties that benefit from County funding; and (2) promote the consideration in hiring of certain disadvantaged workers, the Borrower shall report on and DOH shall monitor compliance with prevailing wage requirements and 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, WBEs and DBEs, and to promote the consideration 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 college, etc.).
- c. Monitoring and Reporting for NEPA Compliance.** When a Project has received a federal Authorization to Use Grant Funds based on a Request for Release of Funds submitted by DOH as Responsible Entity under the National Environmental Protection Act, Borrower shall provide DOH with evidence of implementation of and compliance with any agreed Mitigation Measures and a final Certificate of Compliance prepared by the Project's environmental consultant or other independent third party approved by DOH.
- d. Monitoring and Reporting during Lease-Up.** The Borrower is required to submit for DOH's prior approval an updated Property Management Agreement, Property Management Plan, 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 approved 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 the greater of 51% OR 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.

e. Monitoring and Reporting Prior to Permanent Loan Conversion. Prior to Permanent Loan Conversion, the Borrower shall submit to DOH:

- i. Final Certificate of Occupancy
- ii. Certified As-built Survey (ALTA), with a legal description confirming the title policy
- iii. Current rent schedule identifying maximum restricted rents, income limits, and actual rents charged
- iv. Current utility allowance schedule
- v. Current rent roll
- vi. Current operating budget for the first year of stabilized operations prepared by the Property Management service provider
- vii. Form of lease and written confirmation that the tenant selection and marketing were conducted in accordance with the plans approved by DOH
- viii. Property Management Plan
- ix. Draft audited accounting of actual sources and uses of funds, reporting on any construction cost savings that result from the permanent funding sources exceeding the final costs required to construct the project. This includes any savings in expenditure of the funds budgeted for negative cash flow during lease-up, any savings as a result of excess contingency funds, and any other construction cost savings. Such construction cost savings shall be distributed to DOH and other lenders in proportion to their share of Residual Receipts. DOH shall apply any construction cost savings to accrued interest before reducing the principal amount of its loan.
- x. Copy of the fully executed and dated Amended and Restated Limited Partnership Agreement of Borrower (“the LPA”)
- xi. Certificates of Insurance evidencing Fire and Property Damage coverage
- xii. Evidence of Compliance with labor requirements, including State prevailing wage, Section 3, and Davis-Bacon and MBE/WBE (if applicable).
- xiii. Confirmation of compliance with environmental mitigation requirements, if federal funds are involved
- xiv. A Tenant Profile Report, including demographic and income information, in a form satisfactory to DOH.
- xv. A Project Completion Report in a form satisfactory to DOH.
- xvi. A Project Contact Form, in a form satisfactory to DOH.
- xvii. In addition, DOH shall be notified of the start of any Permanent Conversion meetings and shall be provided an opportunity to conduct an on-site monitoring visit prior to Permanent Conversion closing, which may be coordinated with the on-site monitoring required by any other lender or investor as a condition of Permanent Conversion.

f. Post Conversion Submission Requirements. Following Permanent Loan Conversion closing, the Borrower shall submit to DOH:

- i. Confirmation of submission of the Placed-in-Service (PIS) package to TCAC and a copy of the submitted PIS package, for LIHTC projects
- ii. Executed TCAC Regulatory Agreement, if applicable

- iii. Final TCAC-approved Cost Certification
- iv. IRS Form 8609 for each building, including Part II, and written confirmation of the first year of tax credit period, for LHTC projects
- v. Any additional documentation reasonably required by DOH to complete the permanent conversion project file and transition the project to long-term compliance monitoring.

g. 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.

- i. 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.
- ii. 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.
- iii. Annual financial reports shall be submitted based on an annual independent audit of the Project and showing the calculation of Residual Receipts. The independent Project audit shall clearly demonstrate the basis for calculating the amount of Residual Receipt payments due to each lender. Failure to provide an independent Project audit with information that enables DOH to verify the calculation of Residual Receipts is an event of default.

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.

h. DOH Loan Servicing and Monitoring Fee. After the Project is placed in service, DOH will assume all loan servicing tasks on behalf of the County and HACSM. DOH charges an annual loan servicing and monitoring fee of \$500 per AHF-Restricted Unit, capped at \$10,000 annually for each Project, for the provision of these services.

i. 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. In no event will DOH agree to subordinate its Deed of Trust to the lien of a lender affiliated with, controlling, or controlled by the Borrower or any general partner or controlling person of the Borrower. 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.



264 Harbor Blvd., Bldg. A
 Belmont, CA 94002
 Phone: 650-802-5050

APPENDIX E AHF 14 APPLICATION FORM

I. COVER PAGE

A. PROJECT SUMMARY

Applicant Name:	
Project Name:	
Project Address:	
City:	
Zip:	
APN:	
Type of Eligible Project:	

B. AHF 14.0 FUNDING AND PROJECT SUMMARY

Total Request Under this NOFA:	
County Awards Prior to this NOFA:	
Project's Total Development Cost: (TDC)	
Planned Date for Start of Construction:	
Planned Date of Construction Completion:	
Name any sources of an award offered in the NOFA which you would refuse	

C. PREDEVELOPMENT FUNDING ELECTION

Any Eligible Project Type (New Construction Rental, New Construction First-Time Home Ownership, or Re-syndication and Rehabilitation) may elect to be reviewed as a Predevelopment Project. Applicant acknowledges that by electing below to be reviewed as a Predevelopment Project, the Project will qualify for modifications to Threshold Requirements for Readiness, Leveraging, Design, and Financial Feasibility, but any funds awarded will be subject to the NOFA's cap of \$3,000,000 for all predevelopment awards. Do you elect for the Project to be reviewed as a Predevelopment Project?

Yes No

II. APPLICANT TEAM

A. APPLICANT TEAM SUMMARY

1. Complete the table below to describe the Project's development and post-development team.

Project Role	Entity Name & Relationship to Applicant/Sponsor/Developer	Type of Entity	Applicant's Ownership/ Control %
Applicant/Sponsor/ Developer			N/A
Borrower and Owner of Project Improvements (may also own the land)	Borrower same as Applicant Borrower is different from Applicant: _____ Special Purpose Entity to be formed by Applicant		
Owner of Land	Owner same as Borrower Owner different from Borrower: _____ Special Purpose Entity to be formed by Applicant		
Property Management			
General Resident Services Provider			
Additional Supportive Services Provider (If applicable)			

2. Briefly describe the roles and responsibilities of the team members set forth in the above table, including, for example, which entity will gain initial control of the site, apply for financing commitments, complete the public approval process and undertake necessary predevelopment activities (“Applicant/Sponsor/Developer”), which entity will ultimately own or lease the site on which the improvements will be developed, own the completed improvements, and be responsible to long-term lenders and investors (“Owner/Borrower”), the relationship between the Applicant/Sponsor/Developer and the Owner/Borrower, which entity is responsible for contracting with and

overseeing the long-term performance of the property management and supportive services providers, and the ownership and control relationships of the different team members.

3. Is the ultimate intended Owner/Borrower of the completed improvements a Limited Partnership or other Special Purpose Entity formed or to be formed solely to own and operate this Project?

Yes No

If Yes, please complete Section B.1.b below and use the text box below to describe when the Owner/Borrower entity will be created, name the entities that will act as Managing General Partner and/or Administrative General Partner if a Limited Partnership, and describe the relationship of those management entities to the Applicant/Sponsor/Developer.

4. Has the Applicant/Sponsor/Developer entity collaborated with the Property Management Entity and the General Resident Services Entity on at least two completed affordable housing projects that are similar to the Project proposed in this application?

Yes No

If Yes, please describe the Projects. If No, please explain the actual extent of prior collaboration and steps that will be taken to address the limited prior collaboration:

5. Has any member of the Applicant Team received negative points from CTCAC, CDLAC, or HCD in the past 5 years?

Yes No

If Yes, please describe, including the steps taken to remedy the underlying causes of negative points.

B. APPLICANT/SPONSOR/DEVELOPER (AND OWNER/BORROWER IF DIFFERENT)

The entity submitting this application (Applicant), also known as Sponsor or Developer, must be the entity with the financial resources, control of the site, and staff capacity necessary to pursue the successful development of the Project until the Project is ready to start construction, oversee construction, and ensure that the Project has the property management, supportive services and asset management resources necessary for the long-term successful operation of the Project.

1. Legal & Federal Entity Information

a. Applicant/Sponsor/Developer

Legal Entity Name	
Primary Business Address	
City	
State	
Zip Code	
Phone	
General Contact Email	
Website describing activities	
Federal EIN / TIN Number	
SAM UEI Number (For SAM Registration, go to SAM.gov)	
SAM Registration Status (Active/Inactive/In progress)	
SAM Expiration Date	

b. Owner/Borrower (complete this section with all available information if a separate entity has been or will be formed to own, finance, construct, and operate the Project when the Project is ready to start construction)

Legal Entity Name	
Primary Business Address	

City	
State	
Zip Code	
Phone	
General Contact Email	
Federal EIN / TIN	
SAM UEI Number (For SAM Registration, go to SAM.gov)	
SAM Registration Status (Active / Inactive)	
SAM Expiration Date	

2. Person Authorized By Applicant/Sponsor/Developer to Receive an Award of County Funds for the Project. In the text box, please provide the name, title, organization name, and organization role of the person authorized by the Applicant’s governing board in the uploaded corporate resolution to approve and execute all documents necessary to apply for this NOFA, an award letter and other legal documents with the County on behalf of the Applicant/Sponsor/Developer for this Project until the County commitment is assigned to the Owner/Borrower (*Note: This person may be different from the person actually completing the application and designated to respond during the review process.*)

3. Applicant/Sponsor/Developer Staff Capacity: Identify up to three (3) Key Personnel Assigned to the Project and use the required Organizational Chart attachment to show their organizational status.

Name	Title	Role on Project	% Time Dedicated to Project	Years of Relevant Experience	Years with Organization

4. Applicant/Sponsor/Developer References: For the Applicant/Sponsor/Developer list at least three (3) references from a public agency, lender, tax credit investor, or other funding source that can verify performance on prior completed and operating affordable housing developments. (Six boxes are provided because references are also

required for the nonprofit entity selected to control the planned nonprofit Managing General Partner of the planned limited partnership, in case the Applicant/Sponsor/Developer is a for-profit entity.)

Entity for which reference is provided	Reference Name	Reference Organization	Role	Email	Phone

5. Has the Applicant/Sponsor/Developer applied for an award of AHF funds or Federal Funds for development of affordable housing from the San Mateo County Department of Housing in the past three (3) years?

Yes No

If Yes, briefly describe each application and the resulting award, if any:

6. Does the Applicant/Sponsor/Developer qualify as an Emerging Developer, as defined in Appendix A of the NOFA?

Yes No

If Yes, please state the specific facts that warrant qualification as an Emerging Developer and explain why you should receive an exception from the affordable housing track record requirements of this application.

7. Has the Applicant/Sponsor/Developer undertaken the due diligence necessary to complete and execute the Certification & Legal Disclosure Form, including the Disclosure of All Entities of Interest, on behalf of the

Team and its affiliated entities?

Yes No

It is the sole responsibility of the Applicant/Sponsor/Developer to conduct the due diligence on each member of the Applicant Team and affiliated entities necessary to execute the Certification and Legal Disclosure Form.

8. Is this application for a New Construction First-Time Home Ownership (FTHO) Project?

Yes No

If No, skip to the next Section.

If Yes, provide the following information about the Applicant/Sponsor/Developer:

a. Prior FTHO Experience. Has the Applicant/Sponsor/Developer completed one or more FTHO projects with 100% of units restricted to Moderate Income (up to 120% AMI) in the Bay Area in the past five years?

Yes No

If Yes, upload a list of the FTHO projects, including name, location, year completed, and affordability levels. See Checklist of Attachments for required supporting documentation.

b. Homeownership Training and Support. Describe your past experience providing pre- and post-homeownership training and support services, and your plans to provide pre- and post-homeownership training and support services for this Project.

See List of Attachments for supporting documentation.

c. Homeowner Default Rates. Describe homeowner default rates over the past five (5) years for prior FTHO projects you completed in the Bay Area.

See List of Attachments for required supporting documentation.

C. PROPERTY MANAGEMENT (the entity responsible for the successful day-to-day management of the completed Project). *Note: FTHO Projects may skip to Part III. Project Description.*

1. Property Management Key Staff. Identify three (3) key personnel assigned to this Project:

Name	Title	Role on Project	% Time Dedicated to Project	Years of Relevant Experience	Years with Organization

2. Property Management Experience with CES and Housing First. Does the Property Management entity have experience with at least two projects that used the Coordinated Entry System (CES) and followed the State of California Housing First guidelines?

Yes No

Please describe:

D. GENERAL RESIDENT SERVICES PROVIDER (entity responsible for general resident services at the Project)

1. General Resident Services Key Staff: Identify three (3) key personnel assigned to this Project:

Name	Title	Role on Project	% Time Dedicated to Project	Years of Relevant Experience	Years with Organization

2. General Resident Services Experience with CES and Housing First: Does the General Resident Services Provider have experience with at least two projects that used the Coordinated Entry System (CES) and the State of California Housing First guidelines?

Yes No

Please describe:

E. ADDITIONAL SUPPORTIVE SERVICES PROVIDER (If applicable) (entity responsible for supportive services for Special Needs units at the Project)

1. Additional Resident Services Key Staff: Identify three (3) key personnel assigned to this Project:

Name	Title	Role on Project	% Time Dedicated to Project	Years of Relevant Experience	Years with Organization

2. Additional Resident Services Experience with CES and Housing First. Does the Additional Resident Services Provider have experience with at least two projects that used the Coordinated Entry System (CES) and the State of California Housing First guidelines?

Yes No

Please describe:

III. PROJECT DESCRIPTION

A. STRATEGIC PRIORITIES

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

Priority	Check
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	
---	--

2. Briefly describe the Project-specific facts that are the basis for any of the Strategic Priorities selected above. Do not simply re-state the priority but provide the facts about the Project that contribute to achieving the priority.

B. PROJECT HISTORY AND TIMELINE

1. Project History. Describe the history of the Project leading to this request, including the development of the basic project concept, formation of the Applicant Team, site control, entitlement and CEQA/NEPA approvals, prior County funding requests, design development to date, attempts to secure other financing, and any key milestones that have already been achieved.

Note: You must also upload a development schedule for the Project that lists key development milestones, status (pending or complete), and the date (expected or actual).

2. If you have elected for the Project to be evaluated as a Predevelopment Project, please identify and assess the risk factors that may prevent the Project from achieving a milestone necessary to start construction not later than December 31, 2030.

3. If you have not elected to be evaluated as a Predevelopment Project, please identify and assess the risk factors that may prevent the Project from achieving a milestone necessary to start construction not later than December 31, 2028.

C. PROJECT DETAILS

1. Site & Massing

Site area (in acres)	
Total building area in SF (including residential, commercial, and all indoor public spaces)	
Total resident-restricted building area in SF (<i>residential units and indoor common areas intended exclusively for residents and their guests. It does not include community or commercial space open to public</i>)	
Community/commercial space in SF open to public (<i>N/A if not applicable</i>)	
Intended use of the community/commercial space that is open to public (<i>N/A if not applicable</i>)	
Are any of the costs of the community/commercial spaces open to public eligible to be included in tax credit basis?	
Number of residential buildings	
Maximum building height	
Number of stories	
Total number of car parking spaces (<i>for residents only</i>)	
Parking Type (<i>podium, surface, etc.</i>)	
Total number of Bike Parking Spaces (<i>for residents only</i>)	

2. Residential Unit Mix & Size

Unit Type	Number of Units	Average Unit Size (SF)	CTCAC Minimum (SF)
Studio			
One Bedroom			
Two Bedroom			
Three Bedroom			
Four Bedroom			
Manager's Unit			

3. Number of Accessible Units

Accessibility Type	Number of Units	Floors Located (1, 2, 3, etc.)	Accessible Route Provided?
Mobility Units			
Sensory/Communication Units			

Briefly explain how the accessibility numbers provided above satisfy CTCAC minimum requirements, including the higher requirements for a senior housing project if applicable.

4. Project-Wide Accessibility: Briefly describe how the Project addresses minimum levels of accessibility, both within residential units and throughout the building. Include specific factors that illustrate how the design ensures residents with disabilities can access and use the Units and the Project's common areas.

5. Universal Design: Above and beyond the minimum accessibility requirements for people with disabilities, please describe any specific Universal Design features incorporated to enhance accessibility for all residents. Examples

include wider doorways and hallways, lever handles, adaptable bathrooms, or other design strategies that improve usability for all residents.

D. PROJECT SERVICES & AMENITIES

1. For each proposed amenity, briefly explain how it supports service delivery and meets residents' needs. Reference the table and site/floor plans as needed. Mark "N/A" if the amenity is not included. Supporting plans and renderings provided should clearly reference these amenities.

Proposed Amenity	Maximum Capacity (number of users)	Intended Use (how this space serves the residents)
Services		
Service Provider Office/ Meeting Space		
Computer Room		
Laundry Facilities		
Learning Center		
Recreational Amenities		
Children's Playground		
Exercise Room		
Community Room		
Community Kitchen/Kitchenette		
Community Garden		
Walkways/ Walking trails		
Shaded Benches or Outdoor Seating Areas		

Other (specify): _____		
Other (specify): _____		
Other (specify): _____		

E. PROJECT DESIGN

1. Describe the Project’s design and how it meets the Design and Amenities Threshold requirements described in the NOFA, including key aspects related to unit mix, consistency with the Project pro forma, accessibility, amenities, and the needs of the target populations.

2. Architect and Engineer Qualifications. In the text box below, provide the name and a link to a website showing the affordable housing experience and qualifications of the Project Architects and the associated Engineering team. If a website is not available, describe their relevant experience in the text box and indicate whether a brochure detailing their experience and capacity will be uploaded with the application.

3. Does the Schematic Plan uploaded with your application meet the following minimum specifications set forth in the NOFA’s description of the Design Threshold Requirement :

- a. Site plan with building footprint, access points, and outdoor spaces.
- b. Schematic floor plans showing unit mix, unit locations, and ADA-accessible units.
- c. 3D renderings, sketches, or other illustrations, showing overall building massing and circulation

Yes No

If No, describe any differences from the minimum specifications.

If the Project has elected to be evaluated as a Predevelopment Project, explain why the differences should be accepted as a Modification to the Design Threshold Requirements available for a Predevelopment Project.

4. What type and level of Green Building certification is the Project being designed to achieve?

Note: An architect's certification of the type and level of Green Building must be uploaded with the application.

F. CONTRACTOR SELECTION, CONSTRUCTION BIDS & COST ESTIMATES

1. Do you plan to contract for the construction of the Project with a General Contractor affiliated with the Applicant/Sponsor/Developer or any other member of the Applicant Team?

Yes No

If Yes, please describe how you will address this conflict of interest, including the timeline and competitive bidding process that the affiliated General Contractor will use to secure the lowest responsible subcontractor bids.

If No, please describe the timeline and competitive bidding process that the Applicant/Sponsor/Developer will use to secure the lowest responsible bids. If you have already pre-qualified a smaller number of contractors, please list the pre-qualified contractors and explain how they were identified.

2. Have you obtained any preliminary construction cost estimates?

Yes No

If Yes, briefly describe the estimates obtained and why and how they were used in developing the construction costs in the Project pro forma.

If No, explain the basis for the construction costs assumptions used in the Project pro forma.

3. Will any Project-specific aspects of the site, project size, local design requirements, or other factors contribute to higher or lower construction costs? (Note: This question is intended to identify Project-specific

factors, not general market conditions that are contributing to higher or uncertain costs.)

Yes No

If Yes, describe the Project-specific factors and their impact, including how you will mitigate any Project-specific factors contributing to higher costs.

4. Are there any County Underwriting Requirements for Construction Costs that the Project's Construction Cost Budget will not comply with?

Yes No

If Yes, explain any differences with specific relevant section(s) of the Underwriting Guidelines and why the Project is unable to comply.

IV. SITE INFORMATION

A. SITE LOCATION

1. Project's Area of Opportunity Classification as defined by ([2026 CTCAC/HCD AFFH Mapping Tool](#)):

a. Select the Project's location in an Area of Opportunity as defined by CTCAC/HCD for 2026

Neighborhood Opportunity

b. If the site is in a Low Resource Area, describe why the location meets the requirements of NOFA Section IV.C(2) Location Threshold Requirements.

Note: The required upload of a Location Map showing the Project's location in relation to community amenities must support this conclusion.

c. High-Poverty & Segregated Area. Is the site located in a High Poverty & Segregated Area?

Yes No

If Yes, please describe how the project will benefit the area and will not contribute to historic patterns of racial, ethnic, and economic inequality.

d. Neighborhood Change

Yes No

If Yes, please describe how the project will affect the displacement of existing residents from the neighborhood.

B. ADDITIONAL SITE INFORMATION

1. Complete the table below

Census Tract(s)	
Supervisory District	
Total Acreage	
FIRM Map Number	

2. Is the site, or any part of it, within a 100-Year floodplain? [FEMA Floodzone Map](#)

Yes No

If Yes, please describe the basis for and approval process for building in a floodplain.

C. PUBLIC APPROVALS

1. CEQA Status. Is the project exempt from the California Environmental Quality Act (CEQA)?

Yes No

If Yes, identify the applicable CEQA exemption, describe the current status and timeline of the exemption determination, and state the specific facts on which the exemption depends.

If No, describe the current review status and anticipated timeline for obtaining CEQA approval and how it is reflected

in the Project's development timeline.

2. Coastal Zone. Is the site located within the Coastal Zone Boundary?

Yes No

If Yes, describe the required coastal approvals, identify the approving jurisdiction, state the current status of the application, and explain any potential impacts on the project schedule.

3. Zoning Compliance

a. Indicate the Project's zoning approval status:

Permitted by right

Subject to ministerial approval

Requires discretionary approvals

Explain your response and upload supporting documents from the applicable jurisdiction's Planning Department.

b. Describe the current status and anticipated timeline for any required ministerial or discretionary approvals, including key steps and anticipated timeline, and explain how the timeline is reflected in the Project's development schedule:

4. NEPA Status. Is the Project currently subject to NEPA or will it be subject to NEPA if applications for certain federal funds are successful?

Yes

No

If Yes, please describe.

D. CURRENT USE, CONDITION OF TITLE AND SITE CONTROL

1. Current Use of Site. Briefly describe the current site use.

2. Condition of Site. Describe the current physical condition of the site and attach the required Photos of current site conditions.

3. Condition of Title. Does the required attachment of the Preliminary Title Report show any existing liens, easements, or other items of record that must be addressed so that the development of the Project can proceed as planned?

Yes

No

If Yes, describe the specific items of concern on the Preliminary Title Report and the timeline and process for addressing them to satisfy the development schedule uploaded for the Project.

3. Site Control. The Applicant must upload an attachment showing that the Applicant has an enforceable right to use a parcel of land for the proposed development prior to submission of this application, as described in NOFA Section IV Threshold Requirements for Eligible Projects, F Site Control Threshold.

a. Select the Project's Form of Site Control (each as more specifically defined in and limited by the NOFA definition of Site Control Threshold), including a legal description that matches the Project site:

Binding commitment by Owner to sell, grant, or convey the property to Applicant.

Binding commitment by Owner to lease the property to Applicant for term not less than 55 years.

Recorded deed of property showing Applicant as grantee.

Recorded lease of property showing Applicant has a remaining lease term of not less than 55 years.

Recorded option agreement granting Applicant the right to purchase the property or lease it for a lease term not less than 55 years

Exclusive Right to Negotiate with a public or quasi-public agency following selection of Applicant as a result of a competitive process

Letter of Intent to convey a portion of land intended for a larger market rate project upon entitlement of the larger market rate project by the local jurisdiction.

Note: *The only acceptable evidence of site control for an RRR Project is a grant deed or long-term lease (with a remaining term of at least 30 years).*

b. Key Expiration Date(s). List any key expiration dates identified in the site control document(s), including but not limited to option expiration dates or deadlines for conditions to be satisfied. Explain how the site control meets the timing requirements of the NOFA. If the site control will expire within 180 days from the application submission date, the Applicant must upload evidence that all conditions to close of escrow have been satisfied and describe how the Applicant will acquire ownership of the site after the application submission deadline but before the 180-day period expires.

c. Level of Access and Right to Disturb. Describe the level of access and right to disturb each parcel granted under the site control documents. Include any limitations on access, contingencies, or conditions that may affect the Applicant's ability to proceed with development.

d. Entity Holding Site Control. If the site control described in (a) above is not in the name of the

Owner/Borrower that will construct and own the affordable housing improvements on the land, describe:

- How the Applicant controls the entity holding site control (if applicable), **and**
- The process and timeline for transferring or assigning site control to the Owner/Borrower entity (either through fee transfer, ground lease, or other enforceable mechanism).

E. ENVIRONMENTAL SITE ASSESSMENTS

a. Environmental Site Assessments Status. Indicate the status of Environmental Site Assessments for the Project:

Phase I completed

Phase II completed

Phase I is completed; no Phase II required

Note: *The application must upload the completed Phase I and Phase II, and the Remedial Action Plan, if applicable.*

b. Phase II (if applicable). If the Phase I Environmental Site Assessment identifies the need for a Phase II assessment that has not yet been completed, describe the timeline for completing the Phase II and explain how this is reflected in the development schedule uploaded with this application.

c. Remediation (if applicable). If a Phase II Environmental Site Assessment has been completed and identifies site contamination that must be remediated, indicate whether a Remedial Action Plan has been prepared:

Yes

No

Not Applicable (no Remedial Action Plan needed)

Briefly describe the status of the Remedial Action Plan and any required approvals, and explain how the timing for securing approval of, and then implementing, the Remedial Action Plan is reflected in the development schedule uploaded with this application.

F. APPRAISAL

1. Has an appraisal of the property been completed by an independent MAI-qualified appraiser within the past 12 months?

Yes No

If No, explain why a recent appraisal is not available and when an appraisal will be completed.

Note: The Applicant must upload the appraisal dated within the past 12 months OR in the case of no appraisal or an out-of-date appraisal, must provide documentation of recent comparable sales.

2. Does the appraisal (or the comparable sales documentation in the case of no appraisal or an out-of-date appraisal) comply with Underwriting Requirements set forth in Appendix D?

Yes No

Describe the reasons for your answer:

G. LAND DONATION OR BELOW-MARKET-RATE LAND PROVISION

1. Land Donation or Below-Market-Rate Provision. Does the Project depend on a land donation or below-market-rate transfer or ground lease of the land by (a) the local jurisdiction or (b) another entity?

Yes No

If No, proceed to Section H. Cost-Saving Incentives from Local Jurisdiction.

If Yes, complete the remaining questions in this Section.

2. Type of below-market-rate provision:

Below-Market-Rate Sale of Land

Below Market Rate Ground/Lease

Donated land

3. Entity Providing the Land:

Provided by the local jurisdiction (name):

Provided by another entity (name):

4. Status and Description of Transfer

a. Was the below-market-rate sale, lease, or donation of land for the Project provided to satisfy a local inclusionary ordinance or other legal requirement?

Yes No

If Yes, describe the legal basis for the transfer and upload the document or ordinance in which the transfer and conditions of transfer are mandated.

b. Has the land donation or below-market-rate sale or ground lease been formally approved?

Yes No

If Yes, briefly describe the transaction, approval status, and date of execution

If No, describe the anticipated timeline and expected approval process, and explain how it affects the Project's development schedule

c. Financial Terms of the Transfer (if not a donation for no consideration):

d. Estimated fair market value of land and basis for the estimate:

e. Estimated value of land as provided to the Project (if different):

f. Sales price and seller financing (describe if applicable and explain how it complies with the ordinance or other legal reason for the below-market-rate transfer):

g. Annual ground lease payment (describe if applicable and explain how it complies with the ordinance or other legal reason for the below-market-rate transfer):

5. Leveraging: Is the value to the Project of the below-market sale, lease, or donation intended to satisfy the NOFA's Leveraging Requirement?

Yes No

If Yes, the Applicant must upload a binding written commitment that also shows the estimated value to the Project of the below-market sale, lease, or donation of the site.

Note: An application that has elected to be evaluated as a Predevelopment Project may upload a staff letter of support that meets specific requirements set forth in the NOFA's Leveraging Threshold requirements.

6. Implementation: Have the documents (PSA, Ground Lease, Option, etc.) by which the transfer will be implemented been executed by all the parties?

Yes No

If Yes, upload the executed documents with the application. If No, describe the current status of approval, expected timeline, and how the timeline is reflected in the development schedule required to be uploaded with the application. Please use text box below for Yes/No responses.

H. COST-SAVING INCENTIVES FROM THE LOCAL JURISDICTION

1. Has the local jurisdiction with entitlement authority for the Project provided, or is it anticipated to provide, the Project with one or more cost-saving incentives, such as fee reductions or waivers, density bonus concessions above the number and type required by State Density Bonus law, parking requirement reductions above those required by state law, or other such cost-saving incentives above and beyond those that the jurisdiction is obligated under state law to provide.

Yes No

If No, you may skip to Section V. Tenant Population.

If Yes, describe the type and estimate the amount of each local jurisdiction action projected or committed to create cost savings:

2. Priority Needs. Will this Project qualify for competitive points under the Priority Needs criteria in Section V.D of the NOFA?

- a. Supportive Housing Project Yes No
- b. Farmworker Housing Project Yes No
- c. Large Family Housing Project Yes No

If Yes was selected, explain your reasoning for each category of Priority Needs:

B. TARGETED POPULATIONS

1. Units Available for Targeted Populations

TARGETED POPULATIONS – UNIT DISTRIBUTION

Targeted Population	# Units	% Total Units
Former Foster Youth (also known as Transition Aged Youth or Youth Transitioning from Foster Care) referred by County Children and Family Services		
MHSA or BHSA-eligible People referred by Behavioral Health & Recovery Services		
People at risk of Homelessness		
People experiencing Homelessness referred by HACSM, Core Service Agencies, or Coordinated Entry System		
Chronically Homeless referred by the Coordinated Entry System		

People Fleeing Domestic Violence or Human Trafficking		
Frail Elderly, also known as Duals Demo, referred by Health Plan of San Mateo or other County Agencies		
People with Intellectual and Developmental Disabilities referred by Golden Gate Regional Center		
Veterans (Homeless or At Imminent Risk of Homelessness)		
Agricultural Workforce		
General Units (not targeted for a special population)		
Manager's Unit(s)		
Total Units		

2. Homelessness Preference Threshold. With reference to the table above, please describe how the Project will satisfy the Homelessness Preference Threshold Requirement of the NOFA.

C. AFFORDABILITY

1. Unit Information by AMI and Unit Size

Complete the table below for each AMI band. Do not assume Project-Based Vouchers (PBVs) unless you already have an award letter from HACSM. Show the number of Units that satisfy the definition of Supportive Housing Units (for certain Special Needs populations) or Farmworker Units

AMI Targeted	Studios	1-BR	2-BR	3-BR	4-BR	Total Units	Farmworker Units	Special Needs Units
Up to 15%								
16%-30%								
31%-50%								
51%-60%								
61%-70%								
71%-80%								
81%-100%								

101%-120%								
Manager's Units								
Other Unrestricted								
Total Units per Unit Size								

2. Unit Occupancy Explanation. Briefly explain why specific targeted populations will occupy different unit sizes at different levels of affordability

3. Average Affordability: What is the “average affordability” of the Project as a percentage of AMI (as defined in Appendix A of the NOFA)?

4. Calculation of Average Affordability: In the text box below, demonstrate your calculation of “average affordability” consistent with the definition of “average affordability” in Appendix A of the NOFA.

D. MARKET FEASIBILITY

1. Market Study. Has a third-party Market Study been completed for the Project within the past 12 months?

Yes No

If Yes, upload the Market Study and use the text box below to identify the pages that demonstrate that the highest rent level for each unit type targeted by the Project for the general population is at least 10% less than the market rents of comparable rentals in the vicinity of the Project.

If No, please answer the following two questions:

a. Use the text box below to **analyze whether three or more specific market comparables uploaded with your application demonstrate that (i)** advertised vacancies for rent within the past 12 months for each of the different unit types **(ii)** at rents that demonstrated that the highest rent level for each unit type targeted by the Project for the general population is at least 10% less than the market rents of comparable rentals in the vicinity of the Project.

b. Explain when a Market Study will be obtained.

2. Senior Units (62+). If the Project includes any Studio or One-Bedroom units targeted to Seniors (62+) above 50% AMI, describe why and how the Market Study or three or more specific market comparables demonstrate market demand for the proposed units.

3. Supportive Housing Units Not Supported by a Rental Subsidy. Although the Units that satisfy the 5% Homeless Preference may have rent/income levels up to 30% of AMI because they are by definition referred with a rental subsidy, any other Supportive Housing Units without a rent subsidy should not have rents affordable to households with incomes higher than 20% AMI. If the Project includes such Supportive Housing Units for Special Needs households, describe why and how the Market Study or three or more specific market comparables demonstrate market demand and feasibility for these units at the proposed AMI levels.

5. Family Units. If the Project includes Two-, Three- or Four-Bedroom Family units (not targeted to Homeless and Special Needs populations) with rents affordable for households above 60% AMI, describe how the Market Study or three market comparables demonstrate market demand for the proposed units.

E. SUPPORTIVE SERVICES

1. Is the Project a First-Time Homeownership Project?

Yes No

If Yes, the Applicant must upload a one-page narrative description of homeowner education and training offered before and after the sale of the home to the homebuyer and may skip to the Section VI. Community Benefits and Tenant Protections.

If No, complete the remaining questions in this section.

2. Quality of Proposed Services Plan for the General Population. Provide a brief summary of the proposed general resident services, including service provider(s)' experience and capacity, types of services offered, and target population.

***Note:** The Applicant must upload a plan of supportive services, with a written commitment from the identified service provider to provide the identified general resident services at the cost shown in the required services budget.*

3. Farmworker Units. If the Project includes Farmworker Units, describe how services will be provided to Farmworkers that are linguistically and culturally appropriate, the experience and capacity of the identified resident service provider with the Farmworker community, and any types of services specifically tailored to the Farmworker community.

4. Quality of Supportive Services Plan for Supportive Housing Units. Provide a brief summary of the supportive services planned for occupants of Supportive Housing Units, including service providers' experience and capacity, types of services offered, with a written commitment from the identified service providers to provide the

identified services at the cost shown in the required services budget.

Note: The Applicant must upload a plan of supportive services with specific services and case management ratios tailored to the Supportive Housing Units, with a written commitment from the identified service provider to provide the identified services for the Service Housing Units at the budgeted cost.

5. For Projects with homeless-designated units, describe how the Project will manage the process of requesting, receiving, and processing referrals either from the County's Coordinated Entry System (CES) or other specialized referral source and demonstrate alignment with Housing First principles.

Note: Any application for a Project that will rely on referrals for specific Supportive Housing units from a County agency serving that population (other than through the Coordinated Entry System) must upload a letter from that referring agency agreeing to make referrals and, as applicable, provide housing stability and other services to the targeted number of Supportive Housing Units proposed by the Project.

6. Resident Services Budget. Complete the table below using amounts that can be verified in the Project's uploaded 30-year cash flow projections:

Resident Service Type	Number of Units	Total Annual Budget \$	Per Unit Per Annum (PUPA)
Services			
Supportive Housing Units			

7. General Resident Services Funding. How will the cost of general Resident Services, including any general Resident Services adapted to serve Farmworker Units, be funded?

Note: Service funding from sources other than operating revenue or a Capitalized Operating Subsidy Reserve, in compliance with Underwriting Guidelines set forth in Appendix D, must be supported by uploading a letter of commitment from the source of such service funding.

8. Funding for Additional Services for Supportive Housing Units. Describe how the cost of specialized additional services tailored to the residents of Supportive Housing Units will be funded.

Note: Service funding from sources other than operating revenue or a Capitalized Operating Subsidy Reserve, in compliance with Underwriting Guidelines set forth in Appendix D, must be supported by uploading a letter of commitment from the source of such service funding.

VI. COMMUNITY BENEFITS AND TENANT PROTECTIONS

A. PREVAILING WAGE AND OTHER FEDERAL REQUIREMENTS

1. County Living Wage

The Applicant acknowledges and agrees that all projects financed by the County of San Mateo must comply with the San Mateo County Living Wage Ordinance.

2. State Prevailing Wage. It is the Applicant's responsibility to determine whether State Prevailing Wage requirements apply to this Project.

Is the State Prevailing Wage applicable to this Project?

Yes No To Be Determined

If Yes, the Applicant certifies that State Prevailing Wage requirements will be satisfied.

3. Federal Wage Requirements (If Applicable)

Will the Project receive federal funding that requires Davis-Bacon wage rates (e.g., HOME, CDBG, PBVs)?

Yes No

If Yes, the Applicant acknowledges that:

Davis-Bacon wage requirements will apply as required by the applicable federal program, and

If Davis-Bacon rates exceed State Prevailing Wage or County Living Wage rates, the higher rate will govern.

4. Other Federal Requirements Adopted Locally

The Applicant acknowledges and agrees that the County of San Mateo loan documents require the Project's compliance with certain other federal and state requirements even when the Project does not benefit from federal or state funding, including contracting considerations under 2 CRF Section 200.321; 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; and the Uniform Relocation Act

Yes No

B. COMMUNITY ENGAGEMENT

Is the Project already entitled?

Yes No

Note: Whether or not the Project is already entitled, a Community Engagement Plan that satisfies the requirements of the NOFA must be uploaded, with different requirements depending on whether the Project is already entitled.

C. INCLUSIONARY PROJECT

1. Local Inclusionary Requirements. 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

Note: If Yes, the application must upload a letter from the local jurisdiction describing the inclusionary ordinance and the specific inclusionary requirements imposed on the Project.

2. Describe how the Project seeking County funds will exceed the inclusionary requirements already imposed by the local jurisdiction. This can include additional financial contributions by the market rate developer greater than minimum requirements, significantly more affordable units than the minimum number required by the jurisdiction's ordinance, or affordability targeting of a significantly lower AMI than the AMI levels required by the local jurisdiction.

D. MARKETING AND TENANT SELECTION

1. Do you agree to utilize the County’s approved online affordable housing listing site, currently Doorway (<https://housingbayarea.mtc.ca.gov/>)?

Yes No

Note: FTHO Projects are not required to use Doorway.

2. Do you agree to submit at least six months prior to the completion of construction a Marketing and Tenant Selection Plan for DOH review and approval?

Yes No

E. LIVE-WORK PREFERENCES

1. City-Imposed Live-Work Preference: Is the Project subject to a city live-work preference required by a city live-work preference ordinance that has been adopted by the jurisdiction and submitted to the state HCD in accordance with Government Code Section 7061?

Yes No

If Yes, the application must upload a narrative attachment (maximum 1 page) describing the ordinance, the jurisdiction’s compliance with Government Code Section 7061, and the Project’s compliance with the NOFA limitations on city live-work preferences.

2. County-Imposed Live-Work Preference: The Applicant acknowledges and agrees that the County of San Mateo may implement an ordinance imposing a County live-work ordinance on Units not subject to a primary city-live work preference and that the Project may be subject to such ordinance if adopted before the Project’s loan documents with the County are finalized and executed.

Yes No

F. PUBLIC EMPLOYEE HOUSING PREFERENCE

1. Does the Project seek competitive points for providing a Public Employee Housing Preference on at least 10% and not more than 25% of the Project’s Units?

Yes No

If Yes, the application must upload an attachment (maximum one page) describing the proposed preference, including the number of units, unit sizes, targeted AMI levels (up to 80% AMI), local public agencies proposed to benefit from the Preference, and the rationale for including the preference in this specific Project.

2. Do the terms of the proposed Public Employee Housing Preference align with the number, type,

and AMI levels otherwise proposed for general resident units in the application?

Yes No

Note: Implementation of the Public Employee Housing Preference must not change the unit matrix that is the basis for the Pro Forma Development Budget, the 30-year Cash Flow Projections or any other terms of the application.

G. RELOCATION OF RESIDENTIAL OR COMMERCIAL OCCUPANTS

1. Does the site currently have residential or commercial occupants?

Yes No

If Yes:

a. Describe current relocation planning and implementation status, and how relocation costs are budgeted in the Project pro forma

Note: An application for a Project that requires the relocation of residential or commercial occupants must upload a Re-location Plan.

VII. PROJECT FINANCE

A. CAPITAL FUNDING SOURCES

1. Financing Plan: Briefly describe the specific sources/amounts of funding, both County and non-County, that are required for the Project to fund the Total Development Cost.

2. Previously Awarded County Funding for this Project

a. Complete the table below with information about past committed County awards for this Project.

Funding Round	County Program Source	Amount

--	--	--

b. Are there any unmet award conditions or reporting requirements for prior County awards for this Project?

Yes No

If Yes, please explain

3. Other Committed Funding Sources (Non-County)

a. Complete the table below by listing other committed funding sources (Non-County) with the source, the date of the commitment, the commitment expiration date, the amount available for construction, and the amount available for permanent. A fee waiver will qualify if documented in writing. A fee deferral will not qualify.

Funding Entity	Funding Program	Date Awarded	Date Expires	Construction Amount	Permanent Amount

b. Do the above financing commitments show that the Project meets or exceeds the Leveraging Threshold Requirement for a binding third party commitment of the lesser of \$1,000,000 or \$20,000/unit?

Yes No

If Yes, please upload the commitment letters for these committed sources. If No but the Project has elected to be evaluated as a Predevelopment Project, use the text box to explain the expected funding and why the Project is eligible for the modification of the Leveraging Threshold Requirement available for a Predevelopment Project AND upload the staff support letter required for this Modification.

4. Financing Plan: All Funding Sources (Committed and Pending)

a. Complete the table below by listing all expected funding sources, including committed sources listed

above and those for which you still need to apply or have applied and are pending. If you are unable to name the entity providing the financing that will result from an award of the program funding, please show unknown. If additional explanation of the financing plan is needed, upload additional supporting documentation.

Program Source	Financing Entity	Application Date (Expected or Actual)	Award Date (Expected or Actual)	Construction Amount	Permanent Amount
TOTAL					

b. If the total construction sources listed above do not match the total permanent sources listed above, please clarify in 1-2 sentences.

5. Commercial Loan Terms

a. Please describe the expected interest rate and other terms of any commercial construction loans that will be due and payable at permanent conversion and disclose and justify any conflicts with County Underwriting Guidelines.

b. Please describe the expected terms of any commercial permanent loans and disclose and justify any conflicts with County Underwriting Guidelines. If the amortization period will exceed the loan maturity date,

please describe the refinancing plan.

6. HCD, CalHFA, and AHSC Plans. If the Project’s financing plan assumes state HCD, CalHFA, or AHSC funds that are not yet committed, please explain below the timing of this AHF application in relation to state application plans, evaluate your competitiveness for the state source with or without an AHF award, and describe whether the Project will be feasible without an award of state funds.

7. Tax Credit Application Plan. Please complete the following table if your financing plan includes Low-Income Housing Tax Credits. This table must be completed even if you are electing for the Project to be evaluated as a Predevelopment Project.

Tax Credit Type	Amount	CTCAC/CDLAC Application Year and Round	Points Self-Score	Tiebreaker Percentage Self-Score	Set-Aside Category or Pool (be specific)
4%					
9%					
State Credit					

Note: The Applicant must also upload a draft of the Project’s tax credit application. Only a Project that has elected to be evaluated as a Predevelopment Project may omit the draft tax credit application.

8. Affordability Restrictions. If the County makes an award of AHF funds to the Project, the rent and income limits proposed in this application for different unit types will be required as a condition of an award. Describe below any affordability restrictions that will/may be imposed by other funding sources and how they will align with County restrictions.

B. PROJECT'S DEVELOPMENT PRO FORMA

Please check the box to indicate whether the development pro forma required to be uploaded with the application shows that the Project complies with the applicable standard. If any box is unchecked, you must upload a clearly labeled attachment describing and justifying specific differences with the review standard or underwriting guidelines.

Proposed construction hard costs per Unit and per square foot are reasonable and comparable to costs of similar projects applying in this NOFA and AHF 13.

Proposed soft costs per Unit and per SF are reasonable and comparable to costs of other similar projects applying in this NOFA and AHF 13.

Hard and soft costs that are not included in tax credit basis are identified and segregated for purposes of calculating tax credit equity investment.

The cost of any commercial or community serving space not eligible to be included in basis for tax credit purposes is funded by a third-party commitment without reliance in whole or in part on AHF funds.

Proposed assumptions for hard cost and soft cost contingency funds comply with the Underwriting Guidelines.

Proposed developer fee is the maximum amount allowed by CTCAC and complies with limitations included in the Underwriting Guidelines with respect to deferred developer fees.

Proposed financing assumptions used to size the amount of the Project's conventional debt (e.g. interest rates, amortization period, term) are reasonable based on current market dynamics and comparable to similar projects applying in this NOFA and AHF 13, unless different terms are supported by a binding written commitment from the lender subject only to award of County funds and tax credits/bonds.

Proposed pricing assumptions for tax credit equity investment comply with the Underwriting Guidelines, unless a different price is supported by a binding written commitment from the investor, subject only to awards of County funds and tax credits/bonds.

A state HCD, AHSC or MIP funding source is either already committed or is uncommitted and attainable as evidenced by

- The state HCD, AHSC or MIP funding source is currently published to be available in the round for which the Project will apply.
- The Project's amount requested does not exceed more than 20% of the total funds published to be available for that funding source in the round for which the Project will apply (or assumed based on the amount available in the most recent round).

- The Project's score/tiebreaker for that state funding source is not more than 10% lower than the lowest score awarded in the most recent competitive round for that funding source.

Loan proceeds from all sources do not exceed 75% of appraised value assuming completion of planned improvements.

General Contractor's general conditions, overhead, and profit collectively do not exceed 14% of the cost of construction.

Construction cost estimates are based on compliance with applicable federal or state prevailing wage requirements.

The development budget assumes a reasonable amount for lease-up expense to cover negative cash flow during the initial leasing of the Project and for marketing expenses. Marketing expenses are not used to calculate negative cash flow during lease-up.

The reserve for capital replacements of the Project improvements is funded at the greater of \$250 per Unit per year or a higher amount per unit per year requested by another lender or investor and approved by DOH in writing. 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.

The development budget includes a reasonable Capitalized Operating Reserve, generally 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.

A proposed Capitalized Operating Subsidy Reserve (COSR), if any, complied with limitations on the sizing and use of the COSR set forth in the Underwriting Guidelines.

Other requirements affecting Sources and Uses of Funds set forth in Appendix D.

C. PROJECT'S 30-YEAR CASH FLOW PROJECTIONS

Please check the box to indicate whether the Project's 30-year cash projections, required to be uploaded with the application, shows that the Project complies with the applicable standard. If not, upload an attachment describing and justifying specific differences.

The Debt Service Coverage Ratio (DSCR) in Year 1 is 1.15.

Proposed rents or sales prices are realistic and supported by a market study with highest project rents at least 10% below market rate rents within the vicinity of the site and complies with the Underwriting Guidelines specifying:

- Senior studio and 1 BR units may not assume rents higher than 50% AMI rents unless supported by detailed evidence of comparable rents from nearby senior projects.
- 2, 3 and 4 BR units may not assume rents higher than 60% AMI rents unless supported by detailed evidence of comparable rents from nearby family projects.
- Supportive Housing Units for special needs populations have a letter of support committing to make referrals from the referring agency and do not assume rents higher than 20% AMI rents unless a rent subsidy supporting a higher rent is committed in the referring agency's letter of support.

A vacancy rate of at least 5% (or up to 10% for a 100% Supportive Housing Units Project) is assumed.

Operating Expenses are budgeted in reasonable amounts and consistent with CTCAC minimum requirements

Supportive Services for general resident Units are budgeted in reasonable amounts and consistent with DOH's \$500 PUPA minimum requirement.

Supportive Services for Supportive Housing Units are budgeted in reasonable amounts and consistent with DOH's \$1,000 PUPA minimum requirement.

The projected cash flow assumes not more than 2.5% annual income increase and not less than 3.5% annual expense increase.

The Partnership Management Fees, Asset Management Fees and other Incentive Fees comply with the limits imposed under Appendix D

The calculation and distribution of Residual Receipts, including the share allocated to the developer, complies with the Underwriting Guidelines, and any Deferred Developer Fees and prior year accrued Partnership and Asset Management fees are captured solely from the developer's share of Residual Receipts as described in the Underwriting Guidelines.

The calculation and distribution of Residual Receipts, including the share allocated to the developer, complies with the Underwriting Guidelines, and any Deferred Developer Fees and prior year accrued Partnership and Asset Management fees are captured solely from the developer's share of Residual Receipts as described in the Underwriting Guidelines.

The projected cash flow shows that the Project will operate on a break-even basis for at least 20 years.

Other guidelines are set forth in Appendix D.

NOTE: You must upload the development proforma and the 30-year cash flow projections in unlocked Excel format. Unless the Project has elected to be evaluated as a predevelopment project, you must also upload a draft tax credit application.

End of Application

APPENDIX F

REQUIRED AND APPLICABLE APPLICATION ATTACHMENTS

Applicants must submit the application, all required attachments, and any additional documentation applicable to the proposed project through OpenGov.

Threshold	Attachment Name
Team Capacity	Applicant / Sponsor / Developer - IRS EIN/TIN Number Confirmation Letter
Team Capacity	Applicant / Sponsor / Developer - IRS 501(c)(3) Determination Letter for tax-exempt status (if applicable)
Team Capacity	Applicant / Sponsor / Developer - Organizational Structure Chart (Org Chart)
Team Capacity	Applicant / Sponsor / Developer - Articles of Incorporation / Formation Documents
Team Capacity	Applicant / Sponsor / Developer - Bylaws or Operating Agreement
Team Capacity	Applicant / Sponsor / Developer - Resumes of Key Staff (3)
Team Capacity	Applicant / Sponsor / Developer - Track Record Form
Team Capacity	Applicant / Sponsor / Developer - References (at least 3)
Team Capacity	Applicant / Sponsor / Developer - Secretary of State Good Standing
Team Capacity	Applicant / Sponsor / Developer - Franchise Tax Board (FTB) Entity Status Letter
Team Capacity	Applicant / Sponsor / Developer - Debarment Status Verification (SAM.gov)
Team Capacity	Applicant / Sponsor / Developer - Audited Financial Statements with management letter OR executed tax returns (last 2 years)
Team Capacity	Applicant / Sponsor / Developer - IRS Form 990 (if nonprofit) – most recent year
Team Capacity	Applicant / Sponsor / Developer - Corporate Resolution
Team Capacity	Applicant / Sponsor / Developer - Certification & Legal Disclosure Form (including the Disclosure of All Entities of Interest) completed by Applicant/Sponsor/Developer on behalf of all entities
Team Capacity	Owner / Borrower - IRS EIN/TIN Number Confirmation Letter

Team Capacity	Owner / Borrower - IRS 501(c)(3) Determination Letter for tax-exempt status (if applicable)
Team Capacity	Owner / Borrower - Articles of Incorporation / Formation Documents
Team Capacity	Owner / Borrower - Bylaws or Operating Agreement
Team Capacity	Owner / Borrower - Ownership Structure Chart (if LP should show MGP and AGP)
Team Capacity	Owner / Borrower - Secretary of State Good Standing
Team Capacity	Owner / Borrower - Franchise Tax Board (FTB) Entity Status Letter
Team Capacity	Owner / Borrower - Debarment Status Verification (SAM.gov)
Team Capacity	Owner / Borrower - Audited Financial Statements (last 2 years) or Executed Tax Returns (last 2 years)
Team Capacity	Owner / Borrower - IRS Form 990 (if nonprofit) – most recent year
Team Capacity	Property Management - MOU or Agreement with Applicant/Sponsor/Developer to manage the Project
Team Capacity	Property Management - Resumes of Key Staff (3)
Team Capacity	Property Management - Track Record Form
Team Capacity	Property Management - Secretary of State Good Standing
Team Capacity	Property Management - Franchise Tax Board (FTB) Entity Status Letter
Team Capacity	General Resident Services Provider - MOU or Agreement with Applicant/Sponsor/Developer to implement the Supportive Services Plan
Team Capacity	General Resident Services Provider - Resumes of Key Staff (3)
Team Capacity	General Resident Services Provider - Track Record Form
Team Capacity	General Resident Services Provider - Secretary of State Good Standing
Team Capacity	General Resident Services Provider - Franchise Tax Board (FTB) Entity Status Letter

Team Capacity	Additional Supportive Services Provider (if applicable) - MOU or Agreement with Applicant/Sponsor/Developer to implement the additional services plan
Team Capacity	Additional Supportive Services Provider (if applicable) - Resumes of Key Staff (3)
Team Capacity	Additional Supportive Services Provider (if applicable) - Track Record Form
Team Capacity	Additional Supportive Services Provider (if applicable) - Secretary of State Good Standing
Team Capacity	Additional Supportive Services Provider (if applicable) - Franchise Tax Board (FTB) Entity Status Letter
FTHO	FTHO Projects - Supporting documentation for prior FTHO projects identified in the application.
FTHO	FTHO Projects - Homeownership Training and Support Documentation (if applicable)
FTHO	FTHO Projects - Evidence of Homeowner Default Rates on prior FTHO Projects (if applicable)
FTHO	FTHO Projects - Proposed Homebuyer Loan Terms
FTHO	FTHO ONLY: Narrative describing FTHO marketing (because FTHO not able to use Doorway)
Readiness	Project Schedule/ Timeline
Design	Architect & Engineering Team Qualifications (if no website provided in application text box)
Design	Schematic Design Package (Site Plan, Floor Plans, and Massing)
Sustainability	Green Building Certification Letter
Financial Feasibility	Construction Cost Estimates/Bids (if available)
Financial Feasibility	Construction Cost Basis Explanation (if no estimates available)
Location	Site Location/Amenities Map (½-mile and 1-mile Radius Proximity to Transit and Services)
Readiness	Zoning Compliance Documentation
Site Control	Site Photos (current site condition)
Site Control	Preliminary Title Report

Site Control	Condition of Title: Narrative explanation of easements, liens, or other items of record that are inconsistent with the Project plan (if applicable)
Site Control	Evidence of Site Control
Site Control	Site Control Transfer Documentation: Agreement to Transfer Site to Ultimate Owner/Borrower (if applicable)
Readiness	Phase I Environmental Site Assessment
Readiness	Phase II Environmental Site Assessment (if applicable)
Readiness	Remedial Action Plan (if applicable)
Financial Feasibility	Appraisal (within past 12 months). If not available, upload any prior appraisal.
Financial Feasibility	Documentation with Estimated Land Value Analysis (based on three (3) recent comparable sales), and submit documentation on the three (3) recent comparable sales if no or out-of-date appraisal
Financial Feasibility	Land Donation or Below-Market-Rate Provision (if applicable)
Financial Feasibility	Fee Waivers or Reductions Documentation (if applicable)
Financial Feasibility	Market Study (within last 12 months)
Financial Feasibility	Market Comparables/Supporting Data not older than 12 months (if no Market Study available)
Financial Feasibility	Comparable Rent Data not older than 12 months for Senior Units higher than 50% AMI (62+)
Financial Feasibility	Comparable Rent Data not older than 12 months for Special Needs Units higher than 20% AMI, including a Referral Commitment Letter from Referring Agency for Supportive Housing Units
Financial Feasibility	Comparable Rent Data not older than 12 months for 2 BR, 3BR, 4BR Units higher than 60% AMI
Resident Services	Resident Services Plan - General Population (including any Farmworker units)
Resident Services	Supportive Services Plan - Supportive Housing Units
Resident Services	General Resident Services Budget
Resident Services	Supportive Housing Units Services Budget

Community	Community Engagement Plan
Community	Letter from Local Jurisdiction Confirming Inclusionary Requirements (must be on applicable jurisdiction letterhead)
Community	City Live-Work Preference Compliance Narrative (max. 1 page)
Community	Other Tenant Preferences - Supporting Narrative (max. 1 page per preference) if applicable
Community	Public Employee Housing Preference supporting narrative (if applicable)
Community	Relocation Plan (if applicable)
Leveraging	Binding Commitment Letters (Non-County Funding) or support letter for Project electing Predevelopment
Financial Feasibility	Tax Credit Application
Financial Feasibility	Capital Financing Narrative Summary
Financial Feasibility	Development Financial Pro forma - Upload as an unlocked Excel doc.
Financial Feasibility	30-Year Cash Flow Projections - Upload as an unlocked Excel doc.
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