County of Santa Clara

Office of Supportive Housing

Notice of Funding Availability

Supportive Housing Development Fund

New Construction or Acquisition & Rehabilitation

Supported in part by the 2016 Measure A General Obligation Affordable Housing Bond

Santa Clara County Housing Authority

Project Based Vouchers

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Introduction and Background

In December 2014, the County of Santa Clara's Board of Supervisors affirmed the County's role in promoting affordable housing, especially for vulnerable populations. Housing special needs populations is a County service and therefore the County must take an active role in developing, financing and supporting various types of affordable housing for the populations that the County serves. The Board further established that the County's priorities were to:

1. Increase the supply of housing that is affordable to extremely low-income households;
2. Increase the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons; and
3. Improve coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

In November 2016, Santa Clara County residents approved the 2016 Measure A Affordable Housing Bond (Housing Bond), a $950 million general obligation bond that will create new affordable rental and homeowner housing opportunities. The Housing Bond is part of an ongoing effort to: 1) increase affordable housing opportunities for our community's most vulnerable and poorest residents; and 2) to prevent and reduce homelessness throughout Santa Clara County. The Housing Bond builds on key policy shifts and community-wide partnerships that occurred over the last five years. On August 15, 2017, the Board approved the issuance of up to $250 million in General Obligation Bonds.

The County's Office of Supportive Housing (OSH) announces the availability of funding for the development of new, permanent affordable housing for the community's most vulnerable populations. **This NOFA makes available development capital funding, project-based vouchers and supportive services.**

Development Capital Funding

This invitation makes available funding from a variety of County resources in development capital funding.

This November 2021 update includes amendments to eligible project types, introduces new homeownership and Limited Equity Housing Cooperative project types and provides additional requirements for community engagement and for the acquisition and rehabilitation of existing housing.

The Board has authorized the County Administration to fund the following six types of projects:

- **Type 1**: Projects that commit **at least 50%** of the units within the project as Permanent Supportive Housing (PSH), Rapid Rehousing (RRH), or a combination of PSH and RRH units. (Note the County will select and/or approve the target population for PSH units).

- **Type 2:** Projects that have an affordability structure resulting in an average affordability of 45% of AMI **and** commit a minimum of 25% of the affordable units as a combination of PSH and RRH, 25% of the affordable units for ELI households and the remaining affordable units for households earning up to 80% AMI.

- **Type 3:** Projects that commit a minimum of ten and a maximum of 25% of the restricted units within the project for individuals with an intellectual or developmental disability and their families.

- **Type 4:** Projects that commit at least 20 of the restricted units within the project for individuals enrolled in a rapid rehousing program. The balance of the remaining affordable units may not exceed 60% AMI. For this project type, the County's financial contribution may be capped at $4 million.

- **Type 5:** Limited Equity Housing Cooperative projects as defined under the California Business and Professions Code.

- **Type 6:** Homeownership projects which commit a minimum of 33% of the units for very low income (VLI) households, a maximum of 33% of the units for moderate-income households, and the balance of the units for Low-Income households.

Through this update the County is making available up to $80,000,000 for workforce rental, homeownership, and/or cooperative projects.

Homeownership Housing

Homeownership projects are expected to commit a minimum of 33% of the affordable units for VLI households, a maximum of 33% of the affordable units for moderate income households, and the balance of the units for households at 80% AMI or below. However, some proposed units may not have an anticipated Fair Market Value (FMV) which supports a moderate-income sales price; in these cases, all proposed units in the development shall be set aside for households earning up to 80% AMI. Projects must prioritize the affordable buyers' equity to the extent feasible while structuring projects to maintain permanent affordability.

All assisted units must be sold to qualified first-time homebuyers at an affordable housing cost. This requires that the assisted unit be sold at an affordable sales price which shall be approved by County staff.

The sales price shall be equal to the sum of the down payment, the affordable first mortgage, and any deferred financing OR the FMV of the home, whichever is less. Each time the assisted unit is sold, it must be sold at not more than an affordable sales price, which will change over time based primarily on Area Median Income. When a current homeowner sells the unit to the next qualified buyer, the subsequent sales price will be limited by the original sales price, which shall be indexed based on AMI, plus the sum of deferred financing and subject to a FMV cap. At resale, the homeowner will be able to receive the equity from sale, less the remaining balance on any mortgages and equity shares required by other lenders.

The County may provide a development loan to the developer, a portion of which may be forgivable, depending on the financial need of the project. Specifically, the County may consider forgiving and converting a portion of its development loan to a grant to the extent that County funds cannot be secured as deferred mortgages to the initial homebuyers due to the FMV of the homes. The County will record a resale restriction on each assisted for-sale home, which shall have a term of no less than 55 years. The term of the resale restriction will restart each time a home is resold.

Eligible homeownership project types may include townhomes, condominiums, single family homes, manufactured homes, scattered sites, and/or infill developments. Each for-sale home will be separately owned. In the case of Common Interest Developments, as defined under the California Davis-Stirling Act, each home will be a member of a Homeowners Association which is responsible for the maintenance of common elements and facilities. Homeownership projects are not required to include resident services. County funds may be issued as acquisition, predevelopment, and/or construction loans to the developer and such funds would be reissued pro rata as individual deferred mortgages/loans to the homebuyers upon the sale of each home.

Limited Equity Housing Cooperatives

A Limited Equity Housing Cooperative means a project with the form of ownership defined in Section 11003.4(a) of the California Business and Professions Code. For practical purposes, the County considers this to be a hybrid approach which shares some aspects of both homeownership and rental developments. Under this model, residents purchase a share in the development (rather than an individual unit) and are required to resell their share at a price determined by a County-approved formula. This allows residents to have a modest share of the project's equity while preserving affordability over a long-term period.

Cooperative projects shall be cooperatively owned by a resident board of directors (Cooperative Board). Residents shall pay affordable monthly dues or "rent" to the Cooperative Board and will receive an equity share at the end of their residency. Projects must include on-site services. County funds may be issued as an acquisition and/or predevelopment loan to the developer and would be reissued as soft debt to the Cooperative Board. The County will record a regulatory agreement on the property which restricts affordability for a term of no less than 55 years. Eligible cooperative projects may include, but are not limited to, multifamily buildings, townhomes, single family homes, and mobile home parks.

Given the limited resources, proposals under this category will be individually negotiated, and the final subsidy amount will be based on actual project needs. Factors that will be used to consider the County's final funding amount include the timing and availability of other funding sources.

<u>Project Based Vouchers</u>

The Santa Clara County Housing Authority (SCCHA) is designating this invitation as its Public Notice of a competitive request for award for:

- Veterans Affairs Supportive Housing (HUD-VASH) Project Based Vouchers (PBVs)
- Section 8

The NOFA is comprised of the Notice of Funding Availability & Program Guidelines and the appendices. All requests for PBVs are subject to availability, approval, and qualifications under HUD requirements and SCCHA's Administrative Plan. A supplemental application is required for an allocation of PBVs. SCCHA may use this NOFA as the competitive selection process for future PBV allocations. See Appendix 3 for the supplemental application for PBVs.

A. Purpose and Strategic Priorities

The Supportive Housing Development Fund (SHDF Program) will advance community-wide housing priorities, including enhancing a supportive housing system to more effectively prevent and reduce homelessness throughout Santa Clara County. The Program's primary objective is to reduce and prevent homelessness by:

- Developing PSH units for persons with disabling conditions;
- Developing RRH units for people who need short-term rental assistance and services to obtain and maintain permanent housing; and
- Increasing the supply of housing that is affordable to extremely low income (ELI) and very low income (VLI) households.

County-Wide Housing Production Goal

Between July 1, 2017, and June 30, 2028, the County's goal is to develop or finance at least 4,800 new housing units. Of the 4,800 units, at least

- 1,600 units would be used as RRH for families or individuals who are homeless;
- 1,200 units would be used as PSH for persons with disabling conditions and who are homeless, including chronically homeless men, women and families;
- 600 units would be used as PSH for persons with disabling conditions who may or may not be chronically homeless;
- 1,400 units would be used for other ELI households;
- 50 units would be used for adults with intellectual and/or developmental disabilities and their families; and
- Assist in the development of units to assist workers in Santa Clara County maintain homes or move into the County they work.

The County intends to develop and/or finance 400 units of lower- or moderate-income workforce rental or homeownership housing (includes cooperative projects).

B. Important Dates

Application for this NOFA will be accepted on a rolling, "over-the-counter" basis. The County anticipates reviewing applications as they are received and making funding recommendations to the Board of Supervisors as a collection of projects at least twice a year. The following dates are tentative dates for review windows and anticipated funding award dates by the Board of Supervisors. This will enable developers to plan ahead for land acquisition and project financing. Future review dates and Board meeting dates will be published on an on-going basis.

Event	Tentative Dates
Updated NOFA released	November 30, 2021
County formal Round 8 application window opens	November 30, 2021
Review of Round 8 proposals	November 30, 2021 – December 17, 2021
Board of Supervisors Meeting - Round 8 Funding Awards	January 25, 2022

C. Application Process

Applicants seeking funding through this NOFA must complete and submit the Application Form for each project. Supplemental information is required for those seeking PBV housing assistance from SCCHA, (see Appendix 3). Applicants are strongly encouraged to reach out to County staff for an initial meeting prior to the formal submittal of the application for funding.

D. Submission Format

Applications can be submitted via email to Natalie.Monk@hhs.sccgov.org, Eloiza.MurilloGarcia@hhs.sccgov.org, and Tina.Vo@hhs.sccgov.org. Developers are encouraged to submit applications and related documents via DropBox or other similar soft file sharing mechanism. Applicants may submit any number of applications for consideration under this NOFA (joint applications with another developer/owner count as an application for each entity).

E. NOFA Questions

All inquiries relating to this NOFA process, administration, reservation, or to the technical portions of this NOFA, must be submitted through BidSync. Responses or changes to the NOFA will be posted on www.bidsync.com.

Section 1: General Provisions

Through this NOFA the County of Santa Clara's Office of Supportive Housing intends to solicit and fund proposals for the construction of new permanent supportive housing, rapid rehousing units, affordable housing units for households earning up to 30% of the area median income, and other affordable housing development which meets the County's goals and strategic priorities, as described above.

A. Funding Availability

This NOFA makes available County capital funding, operating subsidies (including Project Based Vouchers from the Santa Clara County Housing Authority) and supportive services subsidies. The following summarizes the available resources and any applicable restrictions or requirements.

1. Capital Funding

For this NOFA the County will make available capital funding from a variety of funding sources outlined in Table 1 for new construction or acquisition and rehabilitation. The County reserves the right to determine its funding sources and will not penalize the project either financially or in scoring should the alternative source of funds require extra expenditures (i.e., the NEPA and Davis-Bacon requirements associated with federal funds). Funding will be provided in a form of a capital loan for the following uses: predevelopment, site acquisition with or without rehabilitation, construction or rehabilitation, and permanent financing.

Table 1: Available Funds - Capital Funding

Type of Funds	Funding Amount	Restrictions	Maximum Subsidy Per Unit	Maximum Subsidy Per Project
2016 Measure A - Affordable Housing Bond (Measure A) – Project Types 1-4	$562,510,000 (First and Second Issuances)	Capital funding only	None	None
2016 Measure A - Affordable Housing Bond (Measure A) – Project Types 5-6 and Mixed-Income Rental	$80,000,000	Capital funding only	None	None
No Place Like Home (NPLH) [1] (Non-competitive allocation)	$10,262,970	Capital funding only	$200,000	TBD
No Place Like Home (Competitive allocation)	$61,436,703	Capital funding only	$200,000	TBD

[1] The funding amounts included are the County's allocation amounts as an eligible Alternative Process County.

Type of Funds	Funding Amount	Restrictions	Maximum Subsidy Per Unit	Maximum Subsidy Per Project
Affordable Housing for Intellectually and Developmentally Disabled (I/DD)	$30,000,000 (First, Second and Third Issuances)	Capital funding only; must provide services from the San Andreas Regional Center ("Regional Center")	$200,000	$4,000,000
Affordable Housing Fund (AHF)	TBD	Capital and operating	None	None
Stanford Affordable Housing Fund (SAHF)	TBD	6-mile radius from Stanford	None	None
HOME Investment Partnership (HOME)	$900,000 annually	Subject to annual appropriations	$153,314 - $303,490 *See latest published numbers from HUD*	Varies by amount of HOME funding
Community Development Block Grant Program (CDBG)	$600,000 annually	Subject to annual appropriations	None	None

It is the County's intention to invest in opportunities that enable the long-term affordability of rental, homeownership, and cooperative housing. Five loan types are offered through this NOFA for these project types. A summary of each of the loan terms is summarized in Table 2. The County reserves the right to negotiate terms on a case-by-case basis.

Table 2: Loan Terms by Loan Type

Terms	Predevelopment	Acquisition	Construction	Permanent (a)*	Permanent (b)*
Loan Amount	Maximum $2,500,000	Negotiable depending on the project and location			
LTV	120%	110%	100%	100%	100%
Interest Rate	0%	0-2%	3% simple interest	3% simple interest	2% - 4% compounding
Term	Up to 5 years	Up to 5 years	3 year conditional; converts to perm (a) at project completion	55 years	20 years
Security	Promissory note secured by deed of trust				

Recourse and Guarantees	Non-recourse	Non-recourse	Non-recourse	Non-recourse	Full recourse
Debt Service Coverage Ratio			1.15	1.15	1.15
Repayment	Principal and interest deferred during predevelopment and construction; repaid at construction closing	Principal deferred during predevelopment / construction; repaid at construction closing	Interest deferred during construction; converts to permanent	Annual payments based on the availability of residual receipts	Principal and interest required above the line

* Applies to rental and cooperative projects. For homeownership projects, the County's contribution shall roll over to 30-year deferred mortgages to the buyers.

2. Operating Subsidy/Rental Assistance

The County anticipates that an operating subsidy or rental assistance of some type will be needed for each PSH or RRH unit. Through this NOFA the County is making available operating subsidies as summarized in Table 3. Operating funds in the form of a rental subsidy will be provided through a project-based or tenant-based subsidy. Project-based subsidies will be reserved for PSH units. The County will be utilizing a variety of sources to provide tenant based rental assistance. As a result, the subsidy per unit and per project will vary and depend on the funding source.

Table 3: Available Operating Subsidy

Type of Subsidy	Availability	Term	Subsidy Per Unit	Subsidy Per Project
Tenant-Based Rental Assistance	1,600	3 to 24 months	Varies by funding source	Varies by funding source
Project Based Vouchers	Refer to Appendix 3	20 years	As specified by HUD Fair Market Rents	Minimum of 20 vouchers per project; or 5 if projects is located in a census tract with 10% or lower poverty rate.
Capitalized Operating Subsidy Reserve (COSR)	N/A	Sized for 20 years	Based on individual project factors	Based on individual project factors

3. Supportive Services Subsidy

The County will ensure that sufficient and effective supportive services are provided to PSH and RRH residents. The service provider must be on the County's approved service provider list. Typically, the County will enter into a Memorandum of Understanding (MOU) with the property owner specifying roles and responsibilities and will describe the types of services that are provided. Table 3, Support Services, summarizes the services and terms for each program type. The supportive services are in addition to "resident services" that the owner provides as required by CTCAC and/or the State of California's Uniform Multifamily Regulations (UMRs). The supportive services shall be coordinated and managed by the County. However, the supportive services may be provided by a combination of County staff, County contractors, or staff or contractors of the County's partner agencies. When financially feasible, a portion of the supportive services costs will be covered as an above the line expense.

Table 4: Supportive Services

Program	Target Population	Estimated Annual Per Unit Cost	Term
Rapid Rehousing Program	Individuals or families earning up to 30% AMI and who are: • Homeless; or • At imminent risk of homelessness.	$5,000 - $7,500	3 to 24 months
Permanent Supportive Housing	Individuals or families with a disabling condition, who are extremely low income and who are: • Chronically homeless; • Homeless; • Leaving institutions, including, but not limited to, hospitals, residential care facilities, and skill nursing facilities; or • At imminent risk of homelessness. Note: The County will provide the required mental health services and help coordinate access to other community-based supportive services for a minimum of 20 years for the NPLH units consistent with Section 203 of the NPLH Guidelines.	$11,000	20 to 40 years
I/DD Units	I/DD units shall be prioritized for individuals and families who are extremely low income and very low-income and who are eligible to receive services through the San Andreas Regional Center ("Regional Center").	Services will be provided by the Regional Center.	Life-long services

B. Eligible Projects and Project Types

The County's eligible project types are described above on page three of this NOFA. Funding is available for new construction or rehabilitation projects as follows:

- New construction of multifamily rental, cooperative, or homeownership housing.
- New construction of mixed-use developments (containing both residential and non-residential space). Generally, the funding sources associated with the Supportive Housing Development Program will only be used to assist the affordable housing portion of a project. Costs associated with developing the commercial portions must be separated from residential costs.
- Acquisition and Rehabilitation of affordable and/or supportive housing (for existing developments, the proposal must meet one of the identified eligible project types at attrition/turnover.

Note that the County will be prioritizing development projects that increase the inventory of affordable housing units. For the purposes of meeting a project type, NPLH units will be counted as PSH Units. All units designated as NPLH units must house the target population as defined in Section 101(qq) of the NPLH Guidelines and in no case shall more than 49% of the units be designated as NPLH units. For clarification purposes, a development can be 100% PSH but only 49% of the total units in the development will be designated as NPLH units.

C. Reservations

All proposals will be evaluated and scored individually. The County reserves the following rights:

- Right to Reject, Waive or Terminate the NOFA. The County reserves the right to amend through addenda, to accept or reject any or all proposals, in whole or in part, and to waive any informality in the NOFA/RFP process, or to terminate the NOFA process at any time, if deemed to be in the best interest of the County. The County reserves the right to fund projects that do not meet these guidelines if it is in the best interest of the County. For example, the County may have to fund a project in order to meet timeliness requirements of a specific funding source such as the Home Investment Partnerships Program (HOME).

- Right to Not Award. The County reserves the right not to award, withhold or delay awarding funds to any project even if the project meets the threshold eligibility under the Supportive Housing Development Program's guidelines and the NOFA's requirements.

- Right to Retain Proposals. The County reserves the right to retain all proposals submitted and not permit their withdrawal, unless authorized in writing by the County, for a period of ninety (90) days following the proposal submission.

- Right to Reject Any Proposal. The County reserves the right to reject any proposal, in whole or in part, that does not meet the requirements of this solicitation, including but not limited to, incomplete proposals and proposals offering conflicting, alternate or non-requested services.

- Right to Negotiate. The County reserves the right to negotiate the terms of agreement.

- No Obligation to Compensate. The County shall have no obligation to compensate any applicant for any costs incurred in responding to this solicitation.

- Proposals as Public Records. All proposals in response to this NOFA are public records and available for inspection and copying upon request only after such time as the proposal is recommended for award. Proposers wishing to keep discrete portions of their proposal confidential under applicable provisions of the California Public Records Act and/or related law should indicate with specificity such confidential information in their proposal. If, in the County's sole discretion, the County withholds the confidential information consistent with applicable law in response to a California Public Records Act Request, and, in the event the requester sues the County or threatens to sue the County seeking release of the confidential information, the County may require and the proposer agrees that the proposer requesting non-disclosure shall indemnify, defend, and hold harmless the County from and against all liability and costs relating to the lawsuit or threat of a lawsuit.

- Equal Opportunity. The County is an Equal Opportunity Business Enterprise which promotes competitive solicitations and does not discriminate on the basis of race, color, religion, creed, national origin, sex, disability, age or perceived or actual gender identity, sexual orientation. The County strongly encourages minority-owned and women-owned businesses, socially and economically disadvantaged business enterprises, and small businesses to submit proposals, to participate as partners, or to participate in other business activity in response to this NOFA.

- Equitable Distribution. The County reserves the right to take additional factors into consideration to ensure that federal, state, and local guidance on fair housing and related equitability issues is followed.

D. Funding Commitment

The County's commitment of 2016 Measure A funding will be made for 36 months from the date the Board approves the funding. Funding commitments from the County's special revenue funds like HOME, CDBG and NPLH allocations have more restrictive commitment deadlines and will be made for 24 months from the date the Board approved to allocation of those special revenue funds. All other sources of funding must be committed within that time frame, extensions may be granted on a case-by-case basis.

E. Eligible Applicants

Eligible applicants include non-profit organizations, tax-credit limited partnerships or limited liability corporations, mission aligned for-profit affordable housing developers with a successful development track record, public agencies, other local jurisdictions, and joint ventures among any of these entities. (Note: Development partnerships are permitted if at least one developer has met any of the above requirements.) Refer to Section 3 for more details on the threshold requirements for eligible applicants.

F. Eligible Use of Funds

Funds may be used for hard and soft costs associated with New Construction or Acquisition with Substantial Rehabilitation. Funds may be used to reimburse acquisition and predevelopment costs previously paid by the Applicant for the proposed project. The County prefers to disburse the majority of its funds at construction loan closing and/or during the construction period. Funds may be used only to pay for restricted residential units (i.e. PSH units) and a proportionate amount of the project's common areas. Funds awarded under this NOFA may be used for the following expenses:

- Predevelopment and Acquisition. Prior to the completion of all land use approvals and CEQA review required for the project, funds from the Predevelopment Loan may only be used toward feasibility and planning studies that do not result in any physical changes to the environment or irreversible uses of the lands approved by the County (Note: The County will only directly fund the acquisition of land that is entitled for housing.)
- Acquisition of land and improvements in conjunction with New Construction or Acquisition with Substantial Rehabilitation. The land cost shall not exceed fair market value, as determined by an appraisal.
- Hard and soft costs generally in conformance with the County's Underwriting Guidelines.
- Permanent financing.

G. Ineligible Activities

Funds awarded under this NOFA shall not be used for the following expenses or activities.

- Costs associated with non-supportive housing units or commercial space.
- Capitalized transition reserves.
- Refinancing permanent debt on existing developments without substantial rehabilitation.
- Legal and financing fees.
- Projects of 1-4 units are ineligible for NPLH funds.

H. Tenant Selection

All referrals for supportive housing units (PSH & RRH units alike) shall come directly from the Santa Clara County Continuum of Care's (CoC) Coordinated Entry System (CES), which is managed by the County's Office of Supportive Housing and consistent with the core components of Housing First requirements set forth in Welfare and Institutions Code Division 8 Chapter 6.5 Section 8255 subsection (b). I/DD referrals are expected to come directly from the Regional Center. Refer to Section 6, Supportive Services and Referral Process, for more information.

I. Misrepresentations or Material Changes to the Project

Any changes regarding the borrowing entity or changes to the project's design, including but not limited to unit count, unit configuration, and/or financial structure of either the Applicant or the project subsequent to the submittal of an application under this NOFA must receive approval from OSH. Otherwise, OSH reserves the right to withdraw its commitment. In the event misrepresentations are made regarding either the borrowing entity or the project, OSH's commitment will be cancelled.

J. Equity Share

For any loan funded by OSH, if the borrower fails to perform within a specific period of time and the property is ultimately sold, OSH will be entitled to a share in any appreciation that has occurred between the price paid at acquisition and the time of sale. OSH's share in the appreciation will be equal to the proportion of the OSH loan amount to the original purchase price of the property.

K. Lien Priority and Subordination

The County may, at its discretion, subordinate repayment and security positions under special circumstances. However, it is the County's intention to no longer subordinate its affordability covenants to the deeds of trust securing other lender's financing, with some exceptions (subject to staff approval and to the ratio of loan to total development cost). The affordability covenants control, among other things, the maximum income of tenants of project units, and the maximum rents allowed for project units.

L. Affordability Covenant/Regulatory Agreement

For all proposed projects, the required term of the affordability covenants will be for a minimum of fifty-five (55) years from the completion of construction, or the maximum required by CTCAC, MHP, HUD or CDLAC, whichever is longer. The affordability covenant remains in effect for no less than the agreed-upon term regardless of the date upon which the County's loan is fully repaid.

M. Default

The loan agreement will specify the events that may cause the County to declare the borrower in default.

N. Environmental Review

The National Environmental Policy Act (NEPA) was established in 1969 to give environmental values appropriate consideration in decision-making with regard to federally-funded projects. For projects requesting an allocation of PBVs, the environmental review process and clearance must meet NEPA standards. Therefore, the Applicant shall not undertake or commit any funds to physical or choice-limiting actions, including further property acquisition, demolition, movement, rehabilitation, repair or construction prior to receiving a NEPA environmental clearance from the County. Developers are required to reach out to both SCCHA and the jurisdiction in which the proposed development project is located to understand the timing and requirements of the Lead Entity.

Note that an option agreement on a proposed site or property is allowed prior to completion of the environmental review, if the option agreement is subject to a determination by the County on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58 and the cost of the option is a nominal portion of the purchase price.

In addition, projects must meet the requirements of the California Environmental Quality Act (CEQA) and obtain CEQA clearance by the local jurisdiction.

O. Uniform Relocation Act

A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR Part 24.

P. Other Special Terms and Conditions

a. Ground Lease. For new rental and cooperative developments, applicants must include the opportunity for the County (and/or another public entity with a greater financial contribution to the project) to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication mechanism that will ensure long-term affordable housing as the primary use of the land. For new homeownership developments, applicants must include a right of first refusal or similar opportunity for the County to purchase the affordable homes and land upon transfer.

b. Purchase Price. The proposed site purchase price must be reasonable in comparison to other sites in the area and other affordable housing sites in the City where it is located. Prior to any disbursement of funds for acquisition, an appraisal supporting the acquisition cost will be required.

c. Wages. The County requires that State prevailing wages be paid when County funds are used for construction. Wage rates for workers performing work related to the development of the awarded projects shall be paid not less than the general prevailing rate of per diem wages, as defined in Section 1773 of the California Labor Code and Subchapter 3 of Chapter 8, Division 1, Title 8 of the California Code of Regulations (Section 16000 et seq.), and as established by the Director of the California Department of Industrial Relations (DIR). In addition, if federal funds are used for physical improvements, the higher of State prevailing wage and Davis-Bacon wage rates shall be determined and paid for each job classification.

d. Insurance. During development, sponsors/developers must obtain comprehensive general liability and property (hazard) insurance coverages of at least $2 million. The County will also require property damage or builder's risk insurance in the amount equal to 100% of the replacement costs of the structure, with a lender's loss payable endorsement in favor of the County. Construction contractors will be required to obtain liability and builders risk insurance in an amount equal to $2 million. Automobile insurance, professional liability, workers compensation, and employer's liability coverage are also required.

e. Payment and Performance Bonds. General Contractors will be required to provide payment and performance bonds equal to 100% of the construction contract amount.

f. Article XXXIV of the California Constitution. In November 1998 the voters within the County of Santa Clara approved Measure A authorizing the annual development, construction, or acquisition of up to 540 units plus accruals of low rent housing. Such housing can be constructed in the cities and in the urban service areas of the County. The passage of this measure was in conformance with Article XXXIV (Article 34) as well as Section 33413 of the California Health and Safety Code.

   Applications must demonstrate compliance with Article 34 by providing either documentation of Article 34 authority from the local jurisdiction, or a letter from the jurisdiction's City Attorney indicating why Article 34 does not apply.

Section 2: Application Submission and Review Process

Responses to this NOFA related to capital funding and rental subsidies should be organized as indicated below. Supplemental information is required for applicants seeking an allocation of PBVs (refer to Appendix 3 for more information). In an effort to work collaboratively with jurisdictions across the County, in lieu of a full application, the County will accept an application submitted for funding to another local jurisdiction for funding. Please contact Tina Vo (Tina.Vo@hhs.sccgov.org) and Eloiza Murillo-Garcia (Eloiza.MurilloGarcia@hhs.sccgov.org) for specific directions.

A. Submittal Requirements

1. Summary. Provide a concise narrative description of the proposal for developing the proposed site, including the overall size, uses, resident and community amenities, general layout, and summarized financing and services plans. Complete Appendix 1, Application Form. The project related information shall be captured in the Application Form.

2. Sponsor Background Information.
   Provide copies of the following for the Lead Developer or Co-Developer entity:
   - Certificate of Good Standing
   - Certification of 501(c)(3) status
   - Previous 2 years of tax returns or audited financial statements with management letters signed by Applicant or certified CPA (Partnerships: please include for general partner)
   - Borrower's organizational chart

3. Applicant Technical Capacity and Experience.
   Respondent Description: Provide the name of each organization, names of organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:
   - Lead Developer and Co-Developers (if applicable)
   - Development Consultant (if applicable)
   - Property Manager
   - Resident Service Provider
   - Supportive Services

   Provide a concise narrative to summarize the organizational structure of the Applicant, including the roles of Developer, Co-Developer and Development Consultant. Identify and briefly describe the experience of key development staff. Include the following in each response as relates to the Applicant experience, Property Management Experience, Resident Services Provider Experience and Supportive Service Provider Experience:

   - Description of how the relevant threshold requirement is met
   - Description of any additional experience that demonstrates responsiveness to the Evaluation and Scoring Criteria
   - Service provider must be on OSH's approved service provider list. Refer to the threshold requirements in Section 3.

4. Property Management and Operations Plan.
   - Resident services narrative for non PSH/RRH populations

- Draft Property Management Plan (including tenant selection criteria)

5. Site Control & Due Diligence.
    - Evidence of site control, including the chain of contracted transactions to transfer ownership (or leasehold interest) from the current owner to the development entity
    - Preliminary title report (no older than 3 months from proposal date)
    - Phase I Environmental Assessment of property and all subsequent environmental reports as applicable
    - Scaled Map showing all amenities for which Applicant will use to demonstrate minimum eligibility for TCAC and CDLAC funds

6. Project Readiness.
    - Project Milestone Schedule, indicating which, if any, milestones have already been achieved.
    - Land Use and Zoning
        - Evidence that the project is permitted under the current zoning and/or land use designation; or
        - Information as to why the project is appropriate to obtain zoning approval and a detailed description of the entitlements required and the process to obtain them

7. Financial Feasibility and Cost Effectiveness.
    Describe the overall financing plan for the project that demonstrates that the project meets threshold requirements, with sufficient information to allow the County to fully determine each project's feasibility, including:
    - For rental and cooperative projects: Full development pro forma, including:
        - Construction and Permanent Funding Sources
        - Uses including reserves and developer fee (both paid and deferred)
        - Rent schedule (including rental subsidies if applicable)
        - Tax Credit calculations assumptions (both 4% and 9%)
        - 20-year cash flow (including, as appropriate, commercial revenue)
        - Year 1 operating budget
        - Commercial space financing plan (if applicable)
    - For homeownership projects: Full development pro forma, including:
        - Construction and Permanent Funding Sources
        - Uses including developer fee
        - Sales price calculations and financing schedule
        - HOA budget and reserve study
        - Commercial space financing plan (if applicable)

    In the narrative, highlight any innovative financing approaches intended to minimize the County's projected capital gap financing. In addition, Applicants are encouraged to highlight any innovative direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses, including estimated savings calculations if appropriate.

8. Leveraging.

- Identify all non-County sources of funds, including terms, interest rates, fees and repayment requirements.
- Provide copies of funding commitment letters.

9. Community Engagement.
   - Include a proposed Community Engagement Plan describing outreach to neighborhood groups and other stakeholders (see Section 3 for more information).
   - Cost estimate for implementation of the Community Engagement Plan.

B. Review and Approval Process

The award process under this NOFA is not solely dependent on score. It is the County's intention to identify 120-140 development proposals over a ten-year period. Ideally the County would like to review development proposals earlier in order to strategically manage the development pipeline.

1. Threshold Review.
   - Evaluation Factors. Section 5 outlines the evaluation factors and the scoring criteria the County will use to rank projects.

   - Underwriting. County staff will underwrite according to the underwriting criteria outlined in Appendix 2 and the criteria established in these program guidelines. The County will prepare the underwriting analysis, formulate recommendations based on the applications received and present preliminary recommendations to the County's Executive Administration.

2. Determination of Award.
   The County will consider the following factors in prioritizing and determining if and when to fund a project: 1) target population and number of units; 2) cost reasonableness and total development cost; and 3) project readiness and ability to start construction in 12 months. Projects that are not selected for a formal award may be funded at a future time.

3. Board of Supervisors.
   Funding recommendations will be presented to the Board. Once the Board approves the funding, staff will prepare a conditional award letter.

4. Post Award.
   Once a conditional award letter has been issued, the Applicant will be contacted to discuss adjustments to the timeline, financing plan and next steps.

Section 3: Threshold Requirements

A. <u>Eligible Applicants</u>.

Eligible applicants include non-profit organizations, tax-credit limited partnerships or limited liability corporations, mission aligned for-profit affordable housing developers with a successful development track record, public agencies, other local jurisdictions, and joint ventures among any of these entities. *(Note: Development partnerships are permitted if at least one developer has met any of the above requirements.)*

<u>Technical Capacity and Experience</u>. The Applicant must demonstrate technical capacity and experience to successfully develop, own and manage affordable and supportive housing, including partnering with providers of supportive services.

- <u>Developer Criteria</u>: For rental and cooperative projects, developers must have successfully built and operated at least three restricted affordable rental housing developments, one of which includes at least 50% of the units as PSH or RRH and at least 50% of the units, with the exception of the manager's unit, targeted to households with incomes at or below 80% AMI. Developers of rental projects must demonstrate experience relevant to owning and developing affordable rental housing consistent with the requirements of the California Tax Credit Allocation Committee requirements. Ownership by an affiliated limited partnership for tax credit purposes will qualify as ownership of the project. Qualifications will require listing the number of affordable housing projects with "restricted" units that have been completed. Each team member will verify their role as a principal for the completed project listed. For ownership projects, developers must either: (1) have successfully built and sold at least three new construction affordable homeownership developments with four or more homes, where at least 75% of homes are restricted as affordable housing OR (2) meet the requirements for rental projects as stated above and demonstrate a clear understanding of how to implement an affordable ownership project.

- <u>Property Manager</u>: The Applicant team for a Type 1 or Type 2 development must include a property management agent with experience managing at least one project with at least 50 supportive housing units whose residents receive supportive services from a community-based organization for at least 24 months subject to satisfactory review by a local government funder on a previously managed affordable housing development. Type 3 developments must include a property management agent with experience managing two California Low Income Housing Tax Credit projects. Type 4 developments must include a property management agent with experience managing at least one project with at least 20 supportive housing units whose residents receive supportive services from a community-based organization for at least 24 months subject to satisfactory review by a local government funder on a previously managed affordable housing development. The property manager may be the Applicant's own personnel or a third-party contractor. The Applicant or the Applicant's management agent must demonstrate successful approaches to managing affordable housing developments with similar populations as those being proposed. For proposals with supportive housing units, the proposed approaches must be effective with residents who may continue to struggle with behavioral health and medical issues.

Skilled property management is critical to the success of affordable housing projects. Sponsors must provide information about the management agent and a brief description of how the property will be managed to ensure compliance with the core components of Housing First as defined in Welfare and Institutions Code Section 8255(b). Points will be awarded based on the experience of the named company or entity. The number of properties currently managed must be listed, along with addresses and the number of "restricted" and market rate units in each property. In addition, the number of years the organization or individual has been involved in property management must be identified.

In the event a separate sole purpose non-profit developer/owner will utilize a separate property management entity for the proposed development subsequent to completion, the qualifications of the named individuals or organization must also be included in the response to the NOFA requested information.

- Resident Services: For all rental and cooperative projects, the Applicant must include a provider of services to residents of multifamily developments with at least 24 months of experience. The Resident Services provider may be the Applicant's own personnel, or a third-party contractor. The resident services provider must have experience with supportive housing residents and experience coordinating with providers of supportive services.

- Supportive Services: All supportive services for PSH and RRH households will be provided by County staff and/or community-based organizations and other government agencies that have an agreement with the County. While the County would ultimately determine how the supportive services are provided, developers may participate in the selection process in two ways.
  - If the Applicant has not identified a particular provider of supportive services it would participate in the County's selection process after the applicant is successful in securing the County's development financing.
  - Alternatively, the Applicant may identify one of the County's contracted providers of supportive services as part of the application process. The provider need not be a partner in the development but should be a significant contributor to the design of the development. The Applicant must demonstrate why selection of the particular provider is advantageous for the development, the residents, and the County. The County reserves the right to accept or reject the Applicant's proposed Service Provider.
  - Note that supportive services provided for I/DD households shall be provided by the Regional Center.

B. Projects

Projects must meet eligible project type requirements as described within this NOFA.

C. Proposals

1. Site Control. The Applicant must submit evidence that it possesses full site control, meaning that the Applicant has obtained an enforceable right to use a parcel of land prior to the submission of the proposal. This right may consist of fee title, ground lease, an exclusive negotiating agreement,

disposition and development agreement, purchase & sale agreement or an enforceable option. Any existing residential or commercial leases must be provided.

2. Project Readiness. The Applicant must demonstrate the capacity to secure all necessary funding for the development within three (3) years of the selection date for program funds. The County, under certain circumstances, may prioritize the order of projects moving forward for tax credit purposes. Under these circumstances the project readiness criteria may be waived. Applicants seeking an allocation of PBV's should refer to Appendix 3 for additional project readiness information.

3. Land Use and Zoning. The Applicant must either 1) submit evidence that the proposed project is permitted under the current General Plan Land Use designation or Zoning Ordinance at the time of the proposal submission and that all appeal periods have concluded; or 2) submit information as to why the project expects to obtain such zoning approval and demonstrate that it will receive the necessary approvals within 24 months of loan closing. The County reserves the right to consult with local city staff to determine site-specific entitlement requirements.

4. Financial Feasibility of the Project. (i.e. realistic development and operating budget projections) For all rental and cooperative projects, the Applicant must submit evidence of project financial feasibility for at least a 15-year period. If the project is a new construction or rehabilitation development which proposes to use LIHTC financing, the project also must demonstrate that it is feasible per guidelines for the 9% and 4% LIHTC program. For all homeownership and cooperative projects, the applicant must submit evidence that the project is financially feasible to construct and for the future owners and any Homeowner's Associations or Cooperative boards to maintain. All applicants must follow the underwriting guidelines in the NOFA so that the review panel is able to determine feasibility and compare projects against one another.

5. Resident Selection Criteria. For all rental and cooperative projects, the Applicant must submit a property management plan that has or will adopt tenant selection criteria guidelines that are consistent with the Housing First practices consistent with Welfare and Institutions Code 8255 and that: pose minimal barriers to entry, have a minimal number of steps; use a 'screening in' approach versus a 'screening out' approach; have clear mitigation steps that recognize the needs of homeless persons, chronically homeless persons and individuals with disabling conditions; and acknowledge the fact that individuals who are enrolled in supportive housing programs are actively addressing their housing barriers. For homeownership projects, the Applicant must submit a proposed marketing plan which complies with the Fair Housing Act and all applicable laws and regulations.

6. High-Quality Design and Amenities. The project must incorporate high-quality design and amenities appropriate for the target population being proposed in a manner that ensures integration in the community. All projects must include common space for residents. For PSH units, developments should include features that address the housing and services needs of supportive housing residents, such as secure entrances, meeting spaces with doors to enable case managers and Service Providers to meet confidentially with clients, and space for education, workshops, and recreation. The Applicant must also demonstrate the extent to which the proposed development meets, or advances County policies related to health, transportation and

sustainability (i.e. Safe and Healthy Communities initiatives through Public Health and the Office of Sustainability).

7. Leverage. Applicants must propose the maximum use of available non-local funds to achieve the highest reasonable financial leverage of capital resources. Non-local funds include but are not limited to Affordable Housing Program (AHP), Affordable Housing and Sustainable Community (AHSC), Multifamily Housing Program (MHP) and the Veterans Housing and Homelessness Prevention (VHHP) program. In addition, Measure A funds must be leveraged at a 1:3 ratio. For purposes of the Measure A requirements local funds will be considered non-Measure A funds.

8. Community Engagement Plan. Applicants are required to commit to the design and execution of a Community Engagement Plan in conjunction with the County and the local jurisdiction's staff that:
    a. Identifies critical stakeholders through an asset mapping exercise in conjunction with the supervisorial office and the local city council;
    b. Engages and informs elected and other public officials;
    c. Builds active community involvement;
    d. Addresses community concerns and engages with individuals who oppose the development;
    e. Incorporates a communications strategy to inform and engage community members beyond proximate residents and businesses;
    f. Incorporates the needs and feedback of potential affordable and supportive housing residents;
    g. Includes hosting several community forums to discuss the details of the proposed development;
    h. Coordinates language resources as needed to ensure meaningful engagement is taking place;
    i. Incorporates a centralized location for the community to view current and accurate project information, such as a project website;
    j. Includes consistent and specific contact information for the community to submit questions or feedback about the project at any point in its development or operations;
    k. Proactively engages community members during the development and through the operating phases;

    Applicants will be required to provide examples of community engagement efforts utilized in similar projects as the proposed project.

9. Local Jurisdictions. Without presupposing actions from elected governing boards, applications must demonstrate engagement with the local municipality. The Applicant must specify the extent to which it has engaged city staff and elected officials. If appropriate, the Applicant may also submit a letter, although not required, from the city acknowledging the Applicant's engagement and/or a letter indicating the city's support. Letters from a city should be signed by a non-elected representative (such as the city/town manager or director of housing) of the municipality where the project is located and must contain the details of the project, including the number of units, the affordability level(s), and the population(s) that will reside at the property.

Section 4: Underwriting, Cost and Pricing Guidelines

A. <u>Financial Feasibility</u>. Proposed projects must demonstrate financial feasibility for both development and operations, assuming the underwriting standards appended to these guidelines as Appendix 2. For operations, projects must demonstrate positive cash flow for 20 years.

B. <u>Reasonable Development Costs</u>. Projects with abnormally high costs - generally defined as being more than 15% above the median development cost per unit, per bedroom, or per square foot for similar projects - must provide justification for the costs. If County staff does not approve the justification for higher costs or the revised budget, the application may be deemed incomplete or the County could require a reduction in the development budget.

C. <u>Project Based Vouchers</u>. Project-based rental subsidies will be provided to units at an amount sufficient to cover the operating costs for those units. The amount of the rental subsidy shall be based on the Project's ability to pay for operating costs and the amount of hard debt that is supported by the operating subsidy income or "overhang."

D. <u>Capitalized Operating Subsidy Reserve</u>. The County may require a capitalized operating subsidy reserve and the subsidy shall be sized to cover anticipated operating deficits attributable to the PSH units. The total amount of the subsidy will be determined upon the individual project underwriting performed by the County pursuant to the requirements of these guidelines. Typically, the County expects the reserve to be sized for a 15-20-year period. Projects that propose to rely on a project-funded capitalized operating reserve or cross-subsidy to support the expenses of PSH units, shall assume the following in demonstrating long-term operational feasibility:

- Rents for households of a PSH unit shall be set at 30% of Area Median Income, as adjusted for household size appropriate to the unit as published by TCAC regulations
- Rents may be set higher in the unusual circumstance where the household may earn higher incomes, subject to County approval
- Rents for households of an NPLH unit must not exceed 30% of AMI.

E. <u>NPLH Assisted Units Required Transition Reserve</u>. Projects shall have a transition reserve for the NPLH assisted units in the event that any project-based rental assistance is not renewed, and the project cannot secure sufficient other rental or operating subsidies to continue without immediately raising rents on the assisted units. The minimum amount of the transition reserve shall be the amount sufficient to prevent rent increases for one year following the loss of the rental assistance. The transition reserve may be capitalized from sources other than NPLH or Measure A funds or funded from annual project cash flow in amounts to be approved by the County. Withdrawal and the use of funds in the reserve shall be subject to the County's prior review and written approval. NPLH funds shall not be used to fund a transition reserve.

F. <u>Operating Budget</u>. Operating budgets and 20-year proformas must meet the following criteria:

- The operating budget must show positive cash flow inclusive of all fees within 18 months of initial rent-up and first year Debt Service Coverage Ratio shall not be less than 1.15. Ideally, the budget should show sufficient cash flow to make a modest payment to residual receipt loans.
- Include operating and replacement reserves (see Replacement and Operating Reserve Requirements below).

- Include Asset Monitoring Fee of $100 per unit per year.
- 5% annual vacancy/collection loss for family, senior, and preservation projects and 10% annual vacancy/collection loss for SRO or special needs projects.
- 3.5% annual increase for expenses (other than property taxes and replacement reserves deposits) and 2.5% annual increase for income.
- The operating budget will be reviewed to ensure it is sufficient for proper maintenance and management but is not excessive compared to other similar properties.
- Asset management fees may not exceed $7,500 annually. Tax credit projects are allowed an additional partnership management fee of up to $19,500 annually. Partnership/asset management fees may increase by 3% per year and are only allowed to the extent cash flow is available after payment of operating expenses, debt service, and deposits to reserves.

G. **Deferred Developer Fee.** As applicable, projects must include any deferred developer fee amount and include repayment schedule as part of the 20-year cash flow projections.

H. **Cash Flow/Incentive Management Fee.** For non-profits, if a project has no monitoring findings or other violations of County or other agreements, and reserves are fully funded, excess cash flow (after payment of operating costs, reserves, senior debt, and current partnership/asset management fee) will be split between the developer/sponsor and the County, with 50% of excess cash flow paid to the County as a residual receipts loan payment and 50% for the developer/sponsor as an Incentive Management Fee.

If the project is owned by a partnership, the partnership agreement should clearly indicate that the Incentive Management Fee will be paid to the developer/sponsor. This fee shall be used for projects and activities contributing directly to the developer's (or its affiliate's) affordable housing programs and community development activities.

If other lenders also require residual receipts payments, the developer/sponsor’s proportion of the excess cash flow will be reduced to 33.3%. The lenders will receive distributions of the remaining 66.7% of the excess cash flow based on relative loan amounts. Staff should be included in any negotiations of residual receipts loan payments. Deferred partnership/asset management fee can only be paid from the developer sponsor’s portion of the Incentive Management Fee.

Section 5: Evaluation Factors/Scoring Criteria

All projects must meet the threshold criteria to be considered for funding. In addition, all projects will be evaluated for cost efficiency and success in leveraging other funding sources to limit the amount of local subsidy needed. Applications will be compared to one another and to current development standards. Finally, the award process for purposes of these County's funds is not solely dependent on score. The County will consider the following factors in prioritizing and determining if and when to fund a project: 1) target population and number of units; 2) cost reasonableness and total development cost; and 3) project readiness and ability to start construction in 12 months.

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

Category	Potential Points
1. Applicant Technical Capacity and Experience	35 points
a. Developer Capacity & Staffing	15 points
b. Property Management	10 points
c. Service Provision	10 points
2. Proposal	40 points
a. Site Control	5 points
b. Project Readiness	25 points
c. Design & Local Amenities	10 points
3. Financial Characteristics	20 points
a. Leveraging	10 points
b. Cost Effectiveness	10 points
4. Community Engagement	5 points
Total Points	**100 points**

1. Applicant Technical Capacity and Experience (35 points)
    a. Developer Capacity and Staffing (0-15 points)
    Points are awarded based on evidence that the lead staff, including the Project Manager and supervisory staff, proposed to work on the current proposal have the necessary experience and that the organization has adequate staffing capacity to undertake the project. Qualifications will require listing the number of affordable housing projects with "restricted" units that have been completed. Each team member will verify their role as a principal for the completed project listed.

    b. Property Management (0-10 points)
    Skilled property management is critical to the success of affordable housing projects. Sponsors must provide information about the management agent and a brief description of how the property will be managed. Points will be awarded based on the experience of the named company or entity. The number of properties currently managed must be listed, along with addresses and the number of "restricted" and market rate units in each property. In addition, the number of years the organization or individual has been involved in property management must be identified.

In the event a separate sole purpose non-profit developer/owner will utilize a separate property management entity for the proposed development subsequent to completion, the qualifications of the named individuals or organization must also be included in the response to the NOFA requested information.

c. Service Provision (0-10 points)
Points are awarded based on evidence that the provider of services to residents of multifamily developments have at least 24 months of experience. Skilled service providers are a necessity to enable projects with supportive housing to be successful. Applicants that do not include a supportive services provider as part of their application will be assigned a service provider that is already approved by the County. These service providers have already been determined to be high-quality with appropriate staffing and training to ensure successful service delivery to supportive housing.

2. Proposal (40 Points)
   a. Site Control (5 Points)
   All projects demonstrating site control will be awarded the maximum points.

   b. Readiness (25 points)
   Points are awarded based on obtaining enforceable commitments or other enforceable reservations of construction financing (5 points), permanent financing (5 points), completion of all necessary environmental clearances (5 points) and obtaining all discretionary land use approvals (10 points).

   c. Design and Local Amenities (10 points)
   A project may earn 2.5 points for each of the following attributes that is properly documented according to the facility's distance (measured by radius from the project) and certified to be applicable to the proposed project, for a maximum of 10 points.

      i. <u>Transit</u>: The proposed project is located within a public transit corridor, or the proposed project is using a van or dial-a-ride service. The project site must be within a ¼-mile of a transit station, rail station, commuter rail station, bus station, or bus stop, with service provided at least every 30 minutes during rush periods.

      ii. <u>Groceries</u>: The proposed project is located within a ½-mile of groceries and other essential shopping needs. Grocery is defined as a full-service store or supermarket that provides fresh food staples: fresh meats, poultry, dairy products, and produce. [Convenience stores and mini-marts/markets are not considered full-service stores or supermarkets.]

      iii. <u>Health and social services</u>:
         1. <u>Chronically homeless units</u>: The proposed project offers on-site services, or door-to-door transportation links; *additionally*, the site either is within one mile of a facility that operates to serve the target population, or the site is located within a ½-mile of public transit and relevant services are easily accessible by transit.

2. Other special needs units: The proposed special needs units are served by on-site provision of services, or the units' services plan includes a commitment by a service provider to provide door-to-door transportation links that brings residents directly to service providers.
3. Family projects: The proposed family project is located within a ½-mile of a public elementary, junior high, or high school.

iv. Recreation: The proposed project is located within a ¼-mile of a park, library, recreational facility, or a community center accessible to the general public and appropriate for the targeted population.

Partial credit may be awarded at the sole discretion of the funders for locational attributes that do not meet the distance criteria listed below but that provide comparable functionality, accessibility and convenience to residents. For instance, a project site that is 0.27 miles from a transit station rather than 0.25 miles may be eligible for partial points.

3. Financial Characteristics (20 Points)
   a. Leveraging (10 Points). (Degree to which outside funding will be pursued) Points will be awarded on a sliding scale based upon a project's ability to leverage funds from anticipated permanent funding sources other than those from the funders of this NOFA. It is only the permanent financing sources identified that will be used to determine the leveraging ratio. If private debt is underwritten on PBV rental income to the project, the private debt may be counted in this calculation. Partial points will be awarded for projects that have a leveraging ratio that falls in between the scoring levels set forth below:

Percent of Sources from Other Funders	**Points**
30% or less	0
40%	4
50%	6
60%	8
70% +	10

   Committed Funds: Additionally, projects that have current soft funding commitments representing a minimum 5% of total development costs receive 3 points. Regardless, the maximum points to be awarded in this category is 10.

   b. Cost Effectiveness (10 Points). Each project's Financial Plan will be ranked according to the degree to which it is feasible and consistent with the requirements, limitations and opportunities associated with the proposed sources, proposed development costs that are comparable to other similar projects; minimizes the County's permanent financing; proposes innovative sources of financing instruments; and uses innovative (i.e. non-standard, routine or commonly used) but practical materials or methodologies designed to reduce development, construction and/or operating costs, either directly or indirectly, without reducing the overall quality of the completed development.

Ranking Levels	Points
Top ranked proposals related to cost effectiveness, preliminary financing plans, cost controls	10
2nd ranked proposals	7
All other proposals	0-5

4. Community Engagement (5 points)
   Each proposal will be reviewed on the merits of the proposed community engagement plan. Applicants that identify and elaborate on potential coordination needs with partners and stakeholder groups including government entities, non-profits or affordable housing advocates will be awarded the maximum points.

Section 6: Supportive Services & Referral Process

A. Supportive Services

County provided supportive services will be offered for both PSH and RRH units as follows:

1. PSH Units. The County will ensure that sufficient and effective supportive services are provided to PSH residents. The supportive services are in addition to "resident services" that the owner provides. The supportive services shall be coordinated and managed by the County. However, the supportive services may be provided by a combination of County staff or community-based organizations who have experience with chronically homeless individuals and families, including those who are high users of safety-net services such as emergency and acute health services. The service provider integrates case management, clinical services, educational and vocational services and housing services to help chronically homeless individuals obtain and retain permanent housing. The service provider is responsible for helping individuals:

    a. Enroll, engage and remain engaged in services;
    b. Obtain permanent housing as quickly as possible, with the goal of moving into housing within 60 days of enrollment in case management;
    c. Remain housed for at least 12 months or leave the program for other stable and affordable housing situations;
    d. Improve their health and wellness, an indication of which can be a reduction in the unnecessary utilization of emergency and acute health services;
    e. Improve their self-sufficiency by obtaining and retaining sufficient resources to meet their basic needs;
    f. Obtain and retain stable income that is greater than or equal to $850 per month;
    g. Receive appropriate medical and behavioral health services; and
    h. Meet the goals that they set for themselves with respect to self-sufficiency, employment, and quality of life.

    On average, supportive services provided through the County will cost $11,000 per unit per year, an expense which will be external to the project's operating budget. Over time, as individuals recover, the County anticipates that their utilization of services will diminish or change. However, the supportive services shall be provided or offered to PSH residents for as long as the development maintains a set aside for PSH. When financially feasible, a portion of the supportive services will be covered as an above the line expense. Supportive services will be provided by the County for a term of 20 to 40 years.

2. RRH Units. Similar to PSH units, the County will provide the supportive services that are necessary to help RRH participants obtain and maintain stable housing. The key differences are that in RRH units:
    - The supportive services will range between $5,000 and $7,500 per unit per year because the households are not disabled and generally need less medical and behavioral health services;
    - The cost of the supportive services is in addition to a tenant-based or other rental subsidy that is provided to each unit for a period of three to 24 months; and
    - The supportive services are provided for three to 24 months.

3. I/DD Units. The County is currently in discussions with the San Andreas Regional Center ("Regional Center") to provide services for PSH County clients.

   In the interim, services and support provided for persons with developmental disabilities shall be committed by Regional Center and are intended to be life-long. A wide range of services and supports may be available to assist the individual with the acquisition and retention of adaptive skills that will enable the individual to safely reside in their own home or apartment, as well as, socialize, recreate and fully integrate into their community. Services provided by the Regional Center may continue as long as the individual is eligible to receive Regional Center services, the needed services are specified in the individual's Individual Program Plan (IPP), and the services are not available through another community resource. Types of services and supports provided through the Regional Center may include, but may not be limited to, case management; supported living or independent living; health and clinical supports; adaptive equipment and environmental modifications; day activities and vocational services and supports. Transition set-up supports for individuals leaving an institution may be available to assist someone to transition from an institution into the community. These services may include moving expenses, one-time set-up fees, i.e. utilities, or security deposits required to obtain a lease or an apartment.

4. Key Service Principles.
   a. Housing First: Housing is the foundation upon which homeless persons can end their homelessness, address their health conditions and improve their stability and self-sufficiency. Service providers make every effort to place individuals in housing as quickly as possible with the least number of pre-conditions. Once housed, even the "hardest to serve" can succeed with proper support. Participation in services is not required. However, participation in services is encouraged, and the service provider is required to continually implement engagement strategies. The only behaviors that might trigger an involuntary exit from the program are those associated with serious or repeated lease violations, unit abandonment, or long-term incarceration/institutionalization.
   b. Community-based service delivery: The team provides clinical services in the settings where the participant is most comfortable.
   c. Consumer choice: Each participant can define his/her own recovery goals.
   d. Recovery: Everyone is capable of recovery, but it will look different for each person. With stable housing and appropriate services, individuals will become healthier, more stable, happier and more self-sufficient.
   e. Harm reduction: The service provider focuses on reducing the negative consequences of drug use, not enforcing sobriety.
   f. Success: The service provider continually reinforces the possibility of success for each participant, conveying that faith and hope directly to them, so that they eventually believe in themselves.
   g. Commitment: The service provider maintains a "whatever it takes" approach to meeting the clients' needs and ensures that the changing needs of the clients are met.

5. Service Components. The service provider in conjunction with the County is responsible for:
   a. Outreach, Enrollment, Assessment and Planning

i. Locating each potential Supportive Housing Resident, establishing trust and rapport and enrolling the individual (or family) in the service provider's program;
ii. Conducting assessments to identify psychosocial, life skills and functional needs, eligibility for entitlement programs (e.g., General Assistance, IHSS, etc.) and self-sufficiency needs;
iii. Maintaining appropriate levels of engagement and sustaining clients' belief in recovery; and
iv. Developing client-centered service plans to obtain and retain housing, improve health conditions, improve daily living activities, increase meaningful daily activities and to achieve long-term stability.

b. Housing Attainment and Retention
   i. Assist clients to obtain and maintain permanent housing by assisting with housing application processes (and re-certifications), appeals, and making referrals to services that would facilitate tenancy (e.g., financial education programs for those who have been accepted on a credit appeal);
   ii. Helping the client understand lease provisions and property requirements;
   iii. Assisting clients with their move-ins including coordinating furniture and household goods;
   iv. Providing clients with the skills/knowledge to be successful tenants;
   v. Helping to resolve disputes between the participant, property management and/or other residents;
   vi. Helping individuals respond to effectively and appropriately to lease violations;
   vii. Responding to crises identified by the client, the property management, or other persons (as appropriate) within one business day;
   viii. Helping clients relocate to other permanent housing when it is in the best interest of the client;
   ix. Performing wellness checks when needed; and
   x. Attend meetings as required by this project. Ensure that the Supportive Housing Residents' case managers participate in these meetings as appropriate.

c. Treatment and Services. All services are voluntary, connected to a treatment or services plan, responsive to the participant's needs/diagnosis, and geared toward helping them manage symptoms. The service provider:
   i. Provides or helps clients access primary care, specialty care, dental care and behavioral health services, including substance abuse counseling, individual and family counseling, crisis intervention/support and medication management/education;
   ii. Coordinates health services or supports health care providers in their efforts to coordinate health services;
   iii. Assists clients in applying for assistance programs including, but not limited to, Medi-Cal and Medicare, Supplemental Security Income, General Assistance and utilities discounts;
   iv. Helps clients access employment services, job training, and/or volunteering opportunities;

v. Identifies, encourages and helps clients connect to social networks, peer support and leisure activities; and

vi. Assists clients with other basic needs such as transportation, food/nutrition, life skills and basic hygiene.

d. Staffing and Service Model. Individuals' complex needs will require interdisciplinary teams to work in a coordinated manner. These teams may be part of one or a few organizations operating under the principles of service models such as Assertive Community Treatment (ACT). The size and composition of the team may vary depending on target population, case load size and organizational strengths.

Regardless of team composition, each client will be assigned a case manager (aka, Intensive Case Manager, Personal Service Coordinator, Service Coordinator, etc.). The case manager is responsible for completing a full assessment, preparing a treatment plan, establishing and maintaining a therapeutic relationship with each participant on their caseload, and for coordinating treatment, services, supportive therapy, and crisis management. The case manager is the primary point of contact for property managers and resident services staff. Case managers will be mobile and will deliver most services at or near a client's home. When warranted by case load size, appropriate facilities and client need, case managers will have offices (or office hours) on site.

Staffing ratios and the frequency of services (e.g., case management sessions and home visits) will adapt based on client needs and progress toward goals. The concept is to have extremely low client to staff ratios during the initial engagement and move-in phase. For example, a case manager may work with five or fewer unhoused chronically homeless persons for three to six months before taking on additional clients. During the initial housing phase - the first 12 to 24 months of housing - case managers would have caseloads of 20 or less clients. During these two phases, case managers and service teams may have contact with clients daily or multiple times per week. It is expected that, for the majority of residents, this intensity will decrease over time as needs decrease.

As needs and service interactions decrease, clients move into the housing retention phase. While all clients remain a part of the supportive housing program, client to staff ratios may increase, the service focus may shift to wellness goals, and the case management role may shift to peer support specialists or community workers who are a part of or working in conjunction with the service provider organization(s).

Service levels and staffing ratios will revert to higher levels in response to client-specific needs and situations (e.g., medical emergencies that require more intensive care to help an individual recover and regain their health). Reversion to higher levels of service may be short-term, long-term or permanent. Regardless of how long a client has been housed, the County and its service provider are responsible for ensuring an adequate level of service to achieve and maintain the goals described in Section 1.

6. <u>Administrative Activities</u>. The service provider is responsible to the County for accurately documenting services for assessment, care planning, clinical, billing, program assessment and

reporting purposes. For most providers this includes use of or compliance with standards for the Homeless Management Information System (HMIS) and electronic health records for the specialty mental health and behavioral health system.

B. <u>County Referral Process</u>

In compliance with the U.S. Department of Housing and Urban Development's (HUD) requirements for communities that receive CoC program funds, the County manages the countywide CES. Through the CES, homeless individuals and families are assessed for and referred to appropriate housing and interim housing programs. The County is responsible for designing and implementing common assessment tools, managing the dynamic registries of homeless persons in need of assistance, managing the HMIS, making or coordinating all referrals to programs, and managing or monitoring the performance of all supportive housing and interim housing programs. The CES is linked to street, medical and specialized outreach programs so that the community is able to continuously identify and assess individuals in need and to effectively connect them to the appropriation housing programs. The CES is currently being expanded and adapted to adequately assess the needs and coordinate supportive housing programs for individuals who are living in but can leave institutions.

- Currently, all homeless individuals and families are assessed using the Vulnerability Index & Service Prioritization Decision Assistance Tool (VI-SPDAT). The tool helps determine whether homeless persons need PSH, RRH, or some other housing intervention. Households within the PSH or RRH bands are referred to programs based on their vulnerability score and based on the availability and specific requirements of PSH and RRH programs.

- During the initial lease up for PSH and for RRH units, the County will identify and refer eligible households to supportive service providers. The providers will assist the households with applying for, moving-in, and maintaining their housing in the proposed development. The process will repeat as PSH or RRH units become vacant. The referral process will be specified in the MOU between the owner and the County.

- Screening-in criteria and low barrier admission policies. PSH's admission policies are designed to 'screen-in' rather than 'screen-out' applicants with the greatest barriers to housing such as having no or very low income, poor rental history and past evictions, or criminal histories. Tenant selection criteria will prioritize people who have been homeless the longest or who have the highest service needs as evidenced by vulnerability assessments or the high utilization of crisis services. (Welfare and Institutions Code 8255(b).)

Section 7: Post-Award Requirements

If the Board of Supervisors approves the application, a conditional commitment letter ("Commitment") will be issued to the Applicant specifying the terms and conditions upon which the County will award and fund the project. If the Applicant does not satisfy the terms and conditions of the Commitment in the County's sole and absolute discretion, within the time frame specified therein, the funds will not be awarded.

A. **Release of Funds.** The County will make capital funds available for disbursement on a draw-down or reimbursement basis, upon closing of the loan and/or commencement of construction. Disbursement of funds for payment of hard costs will be on a draw-down basis. The disbursement of funds for acquisition and predevelopment funding will be provided as the need for the funds arises.

B. **Special conditions to closing**. In addition to the standard conditions, representations, and warranties, the County in its sole discretion, may require projects to meet the following special conditions prior to loan closing:

- Applicants may be required to present their project to the County's Executive Committee.
- Applicants may be required to address any architectural, design, and supportive services deficiencies identified during the application review process prior to release of loan funds.

C. **Compliance with all Conditions Prior to Closing on Construction Finance.** All requirements and conditions set forth in the NOFA and the loan documents must be satisfied, as determined by the County, in its sole discretion, prior to disbursements of any loan funds. The Applicant represents and warrants that all materials and information provided in connection with this NOFA are true and correct at all times, from date of submission to the County and throughout the award process, loan closing and term of the loan. By way of example, but not by limitation, some of the conditions, representations, or warranties that must be at all times true include:

- Applicant must be in good standing and have the authority and organizational power to enter into the documents, agreements, and certifications related to the NOFA and any resulting loan.
- Applicant and its partners, principals, or affiliates must not be or include any persons or companies who are non-compliant with the requirements of any agreement with the County or be listed on HUD's debarment lists.
- Applicant and its partners, principals or affiliates cannot be in default or in violation of any of its obligations under the NOFA, or any loan documents, contracts, agreements, court orders or laws, and submitting for the NOFA and providing the information and entering into the agreements contemplated by the NOFA will not cause a default or violation.
- There shall be no change in the ownership, which is not promptly disclosed to and approved by the County.
- Applicant and its partners, principals, or affiliates shall not be subject to any binding, agreement, suit, order, or law which would be violated if the Applicant proceeds with the transactions contemplated by the NOFA, or the loan documents.
- There shall be no discovery of any preexisting event or circumstances and there shall be no material adverse change in the condition or suitability of the project site, the feasibility of the project, completion date, or the cost of the project, which is not promptly disclosed to and approved by the County. Applicant and its partners, principals or affiliates shall not be subject

to any litigation, suit, arbitration or administrative proceeding which may adversely affect the ability of the Applicant to perform any of its obligations under and contemplated by the NOFA.

- There shall be no deviation from the Supportive Services Plan approved by the County that is not promptly disclosed to and approved by the County.
- Applicants must provide a confirmation letter from the Regional Center to provide the supportive services for adults with intellectual and developmental disabilities and their families in County funded developments. In addition, at construction finance closing an MOU between the Regional Center and the Applicant shall be provided describing the roles and responsibilities.

D. Retention. For Construction/Permanent loans, the County will hold 10% of the loan amount, up to a maximum of $1,000,000, until the construction of the project is complete. Any withheld loan amount will only be released within 30 days after all of the following information has been provided to the County:

- Contractor's letter request for release
- Contractor's Consent of Surety
- Architect's Certificate of Final Payment
- Confirmation of Title Company Readiness to Issue Property Title
- Endorsements to the Original Title Policy
- Recorded or Correct filing of the Notice of Completion
- Certificate of Occupancy

E. Cost Certification. Developers must arrange for an independent cost certification on completion of a project. Approval of this certification is a requirement for conversion. At a minimum the Cost Certification should include the following:

- Cost Reconciliation Schedule. The Borrower must show all sources in lien order and include loans or equity contributions that were spent and expenses that were incurred during the development period. The Borrower must show the total proposed initial sources and uses and the actual sources and uses by line item. The analysis must explain any difference for line items that are over or below 10% of the original sources and uses budget.

- Analysis of Reserve Accounts. The Borrower must show the total proposed initial reserve amounts and the actual initial reserve deposit. The analysis must explain any difference between the proposed reserve amount and the deposited amount.

F. Reporting.

- Expenditures. Upon approval of funding, the Borrower will be required to submit expenditure updates to ensure compliance with Measure A, including but not limited to Measure A's accountability safeguards.

- Quarterly Updates. Upon commitment of funds from the County, the Borrower must provide written quarterly updated to County staff. Quarterly updates will allow County staff to anticipate upcoming approvals needed and to stay informed about efforts to move the project forward and on schedule.

Section 8: Compliance Monitoring

The County reserves the right to undertake periodic monitoring of the project during construction and once in operation.

CONSTRUCTION PHASE

Construction Monitoring**.** The County reserves the right to undertake periodic monitoring, including site visits of the project during construction to ensure SHDF program compliance. The Borrower shall be given adequate notice of any monitoring. The Borrower shall submit quarterly construction progress reports from the close of acquisition financing until the completion of the rehabilitation work. The County shall supply the reporting form for such quarterly progress reports.

OPERATION PHASE

Annual Reporting. The Developer shall submit to the County (i) not later than May 1st of each year, or such other later date as may be requested by the County, a statistical report, including income and rent data for all units, setting forth the information reasonably required by the County to determine compliance; and (ii) within fifteen (15) days after receipt of a written request, any other information or completed forms reasonably requested by the County.

For rental and cooperative projects, the annual compliance report submitted by the Applicant to the County must include:

1. Project location, services and amenities;
2. Tenant roster listing household size, income, and rent for each tenant in a restricted unit with a breakdown of the type of restricted units (i.e. PSH, HOME, NPLH);
3. Average vacancy during the reporting period;
4. Additional requirements as required by special revenue funds including but not limited to NPLH, HOME, and CDBG; and
5. An independently audited financial statement detailing operating revenues and operating expenses.

For homeownership projects, homeowners must self-certify the following on an annual basis:

1. The home is the owner's principal place of residence
2. The home is not rented or leased to another party unless prior permission has been obtained from the County
3. The home is maintained, including landscaping, in good repair and in a neat, clean and orderly condition and in accordance with all applicable laws
4. A standard all risk property insurance policy equal to the replacement value of the home is in place.
5. Ownership of home has not been transferred to another party without prior approval of the County.

The County shall review reports for compliance with the program requirements, shall require the developer to correct violations of any requirements, and may request additional documentation from the Borrower, as the situation dictates.

- Increases to Tenant Income. After initial qualification and upon recertification of household income, a household occupying a restricted unit may have its rent increased as a result of increases in household income, consistent with project rules, rent restrictions and other requirements.

- Rent Limit Compliance for Rental Units. The County will periodically monitor the development to ensure that the restricted units are in compliance with the affordability requirements and that procedures used to calculate the maximum tenant-paid rent for the Restricted Units are consistent with the project's policies and requirements.

Desk Review. The County will conduct periodic monitoring of projects that receive funding through this NOFA to confirm ongoing program compliance. Such monitoring may consist of reviewing documents and records related to tenant income and rents, including those portions paid directly by tenants and by any rental assistance programs. The County may also review occupancy of targeted units and information relevant to the financial condition of the project to ensure the restricted units are in compliance with the affordability requirements of the program, and to ensure the project's long-term viability. The submitted documentation must be sufficiently detailed for the County to confirm whether the project is in compliance with the program requirements.

Field Monitoring. The County may conduct periodic site visits to projects. During such visits, County representatives may interview the resident manager, review a sample of the on-site tenant files, inspect a sample of units of various sizes and affordability, and tour common areas and grounds.

Residual Receipt Documentation. Following completion of the project, on an annual basis, the Owner shall submit to the County audited financial reports for the project detailing income and expenses for the preceding year, including a determination of the Residual Receipts, if any, generated by the project in that year. If Residual Receipts are generated, the financial report must include or be accompanied by an accounting of the distribution of such Residual Receipts among the Owner, County, and any other designated recipients.

Section 9: Definitions

<u>At Imminent Risk of Homelessness</u>. Individual or family who will imminently lose their primary nighttime residence, provided that:

1. Residence will be lost within 14 days of the date of application for homeless assistance
2. No subsequent residence has been identified; and
3. The individual or family lacks the resources or support networks needed to obtain other permanent housing.

<u>At Risk of Chronic Homeless</u>. (*Note that this is specific to No Place Like Home funds.*) An adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet one or more of the criteria below may be considered as at risk of chronic homelessness. All persons qualifying under this definition must be prioritized for available housing by using a standardized assessment tool that ensures that those with the greatest need for Permanent Supportive Housing and the most barriers to housing retention are prioritized for the Assisted Units available to persons At-Risk of Chronic Homelessness pursuant to the terms of the project regulatory agreement. Qualification under this definition can be done through self-certification or in accordance with other established protocols of the Coordinated Entry System or other alternate system used to prioritize those with the greatest needs among those At-Risk of Chronic Homelessness for referral to available Assisted Units.

Persons qualifying under this definition are persons who are at high-risk of long-term or intermittent homelessness, including:

1. Pursuant to Welfare and Institutions Code Section 5849.2, persons exiting institutionalized settings, such as jail or prison, hospitals, institutes of mental disease, nursing facilities, or long-term residential substance use disorder treatment, who were Homeless prior to admission to the institutional setting;
2. Transition-Age Youth experiencing homelessness or with significant barriers to housing stability, including, but not limited to, one or more evictions or episodes of homelessness, and a history of foster care or involvement with the juvenile justice system; and others as set forth below;
3. Persons, including Transition-Age Youth, who prior to entering into one of the facilities or types of institutional care listed herein had a history of being Homeless as defined under subsection (f)(3): a state hospital, hospital behavioral health unit, hospital emergency room, institute for mental disease, psychiatric health facility, mental health rehabilitation center, skilled nursing facility, developmental center, residential treatment program, residential care facility, community crisis center, board and care facility, prison, parole, jail or juvenile detention facility, or foster care. Having a history of being Homeless means, at a minimum, one or more episodes of homelessness in the 12 months prior to entering one of the facilities or types of institutional care listed herein. The CES (as defined in Section 101(n) of the NPLH Program Guidelines), or other local system used to prioritize persons At-Risk of Chronic Homelessness for available Assisted Units may impose longer time periods to satisfy the requirement that persons under this paragraph must have a history of being Homeless.
4. The limitations in subsection (v)(1)(C) pertaining to the definition of "Homeless" shall not apply to persons At-Risk of Chronic Homelessness, meaning that as long as the requirements in subsections (f)(1) - (3) above are met:

a. Persons who have resided in one or more of the settings described above in subsection (f)(1) or (f)(3) for any length of time may qualify as Homeless upon exit from the facility, regardless of the amount of time spent in such facility; and
b. Homeless Persons who prior to entry into any of the facilities or types of institutional care listed above have resided in any kind of publicly or privately operated temporary housing, including congregate shelters, transitional, interim, or bridge housing, or hotels or motels, may qualify as At-Risk of Chronic Homelessness.

<u>Chronically Homeless (HUD Definition at 24 CFR 578.3)</u>

1. Includes an individual or family who:
   a. Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter;
   b. 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 year, or on at least four separate occasions in the last three years; and
   c. Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability, post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability.

2. An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) above, before entering that facility; or

3. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) including a family whose composition has fluctuated while the head of household has been homeless.

<u>Continuum of Care</u>: As defined by 24 Code of Federal Regulations (CFR) 578.3, Continuum of Care refers to the group organized to provide coordinated services to homeless individuals. This group is composed of representatives of organizations such as non-profit homeless providers, faith-based organizations, businesses, governments, public housing agencies, victim service providers, medical providers, advocates, law enforcement, social service providers, school districts, universities, mental health services providers, affordable housing developers, and organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons, to the extent they reside within the geographic area and are available to participate.

<u>Coordinated Entry System (CES)</u>: The centralized system to assess the eligibility and needs of each individual or family who seeks homeless assistance and prioritize access to assistance based on individual needs and strengths. This organized process provides for the assessment of homeless individuals for the purposes of placing them into Permanent Supportive Housing, with the goal of housing the most vulnerable people first. A CES also includes data and referral systems that capture information about available PSH units so that the prioritized individual can be referred to the next available and appropriate PSH unit. CES management is part of the Homeless Management Information System (HMIS) required by HUD and administered by the Office of Supportive Housing.

<u>Development Sponsor</u>: Development sponsor has the same meaning as “sponsor” as defined in Health and Safety Code Section 50675.2(g), and includes any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the Department as qualified to own, manage, or rehabilitate, a rental housing development. A sponsor may be organized as a for-profit, limited-profit, or non-profit corporation.

<u>Disabling Condition</u>: A disabling condition means:

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

<u>ELI</u>: Extremely Low-Income households earning up to 30% of the AMI in Santa Clara County.

<u>Homeless</u> (HUD Definition at 24 CFR 578.3): Includes but is not limited to:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
   a. An individual or family with a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; including a car, park, abandoned building, bus or train station, airport, or camping ground; or
   b. An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
   c. An individual who is existing an institution where he or she resided for 90 days or less, and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

2. An individual or family who will imminently lose their primary nighttime residence (see the above definition for “At Imminent Risk of Homelessness”)

3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless, but who:
   a. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act ((42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

   b. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
   c. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
   d. Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

4. Any individual or family who:
   a. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
   b. Has no other residence; and
   c. Lacks the resources or support networks, such as family, friends, and faith-based or other social networks to obtain other permanent housing.

<u>Housing First</u>: A homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.

<u>HOME</u>: The HOME Investment Partnership Program granted to the County on a formula basis to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

<u>Individuals Leaving Long-Term Care Facilities</u>: Individuals leaving long-term care facility (including skilled nursing, rehab facility, subacute or similar facility) or a hospital that cannot be safely discharged due to lack of housing or homelessness, either experienced prior to admission or resulting from their stay.

<u>Letter of Interest (LOI)</u>: A letter provided by OSH to an Applicant to demonstrate the County's preliminary support for a proposal based upon limited information for purposes of the Applicant's negotiations with a seller. The "soft" commitment expressed in a Letter of Interest will be subject to ultimate approval by the Board of Supervisors, funding availability and any outstanding materials OSH has yet to receive or review at the time of execution of a LOI.

<u>No Place Like Home (NPLH)</u>: A program for counties to fund the development of permanent supportive housing for persons with mental illness who are chronically homeless, at risk of chronic homelessness, or homeless.

Owner: Applicant, Borrower or an OSH-approved related entity of Applicant or Borrower that holds equitable and beneficial interest in the project. If equitable and beneficial interest in the project is held by two separate, related entities, the two related entities may together constitute the Owner.

Permanent Supportive Housing: A type of housing program that provides permanent affordable housing and supportive services to individuals (and their families) who have disabling conditions. There is no limit to the length of stay and housing units are occupied by persons with lease agreements and have access to on-site or off-site services that are flexible, voluntary and individualized in order to assist an individual or family retain their housing, improve their health status, and maximize their ability to live, and, when possible, work in the community. PSH programs are typically prioritized for chronically homeless persons and families or other populations with significant health needs.

Rapid Rehousing (RRH): A type of housing program connects families and individuals to permanent housing through time-limited financial assistance and targeted supportive services. RRH program participants are provided shallow or declining rent subsidies, other temporary financial assistance, and time-limited case management and other support services. In RRH programs, individuals and families eventually take over the full rent of their leased housing units. After "transitioning in place," the individuals and families may reside in the unit so long as they abide by the lease. If and when a RRH unit becomes vacant, the unit will be filled by a new RRH participant. To ensure that individuals and families can transition in place, units that are set aside for RRH programs shall have their rents restricted to a level affordable to households earning no more than 30% of AMI, adjusted for household size.

Residual Receipts: Project income remaining after payment of all project operating costs, fulfillment of reserve requirements and debt service obligations.

Stanford Affordable Housing Fund: A special housing fund established in 2001 to assist in the development of affordable housing units within a six-mile radius of the Stanford University Campus.

UNDERWRITING AND COST GUIDELINES

The following underwriting guidelines are the County's standard guidelines for all funding sources it administers. Exceptions to these guidelines will be considered on a case-by-case basis.

Item	Amount	Notes
Accessibility		All rental developments must meet the accessibility requirements specified in the TCAC regulations, as may be amended from time to time.
Accounting/Audit Fees by Accountant - Capitalized	$15,000 to $25,000	Line item includes the cost certification, organization accounting and other accounting needs (i.e. interim financial and tax return preparation)
Accounting/Audit Fees by Accountant Operating	$7,500 to $12,000	Audits are required for all properties. Therefore, all operating budgets must include this line item.
Affordability	The term of affordability for all funding sources is 55 years.	AMI Guidelines: -RRH Units shall be restricted to households earning no more than 30% of AMI -PSH Units shall restrict the tenant portion of the rent to no more than 30% of the adjusted household income.
Appraisal	Up to $15,000	$15,000 for acquisition and or construction loan appraisal. Appraisal submitted should be within last 6 months.
Architect's Fee	Varies between 4% to 10% of cost	
Asset Management Fee	$7,500/year max before residual receipts. This fee may escalate at 3% per year.	Only applies to LIHTC projects Fee should only be taken during the tax credit compliance period (generally years 1 - 15) Payments above $7,500 must either be made out of cash flow after residual receipts or from Borrower's share of residual receipts.
Attorney – Bank (Lender Legal Paid by Applicant)	$30,000 - $50,000	
Attorney – Developer	$50,000 - $100,000	Developer's bond attorney costs are included. Cost varies depending on complexity of deal and Tax Opinion Letter requirements. Developer's attorney reviews acquisition, loan, tax credit investment / syndication and partnership documents, bond documents and other business issues.
Attorney – Syndication	$35,000 -$45,000	Syndication attorney represents the tax credit investor. Should be included in gross equity number.

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Attorney(s) – Bond deals	$40,000 - $50,000	This applies to total bond legal cost.
Bond deals cost of issuance	Min: $300,000 Max: 4-6% of bond amount	
Cash Flow		Applies to all rental and cooperative projects. 20-year cash flow must be provided, and projects must demonstrate positive cash flow during that period.
Consultant	See Developer Fee	Disallow cost of in-house consultants
Construction Period Financing		The preferred usage of funds during the construction period.
Construction Manager Fee	$80,000	CM is a third-party consultant who is not part of the GC's contract. If CM is part of Developer's staff, then this cost is part of Developer Fee.
Davis Bacon (if applicable)	20% more than non-Davis Bacon [as applied to the overall construction cost (includes labor and materials)]	
Davis Bacon Triggers		Using PBV's or HUDVASH of 9 units or more Using HOME funds for 12 or more units will trigger DB. DB is triggered when CDBG is used for offsite improvements in excess of $2,000. (Note: CDBG and HOME funds are only available on a limited basis.)
Debt Service Coverage Ratio	Year 1: Maximum DSCR of 1.15, unless a senior lender has a higher requirement Remaining Years: 1.15 minimum DSCR, unless a senior lender has a higher requirement	

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Developer Fee – Capitalized As defined per TCAC (Section 10302) to include: all development consultant fee, processing agent, fees, developer overhead and profit, construction management oversight fees if provided by developer, personal guarantee fees, syndicator consulting fees & reserves in excess of those customarily required by lenders.	Total Fee: 9% credits per TCAC (Sec. 10327(c)(2)(A) • Max included in project costs: lesser of 15% of eligible basis or $2M; or • Max included in eligible basis; lesser of 15% of projects eligible basis or $1.4M. 4% credits per TCAC (Sec. 10327(c)(2)(B): • Lesser of 15% of basis or $2.5M (Noted above are the TCAC requirements as of the publishing date herein. Please take into account any amendments to TCAC regulations.)	Applies to LIHTC projects. Common pay in schedule: • 25% at Construction Start • 25% during Construction • 50% after 6 months of stabilized occupancy • For all projects, may allow 20% increase in Developer Fee to compensate for providing physical amenities beyond the norm (i.e. mixed use, child care facility, etc.)
Developer Fee – Deferred	Developer Fee (only for tax credit projects) can be deferred for the purpose of paying other development costs. 10 years is the maximum deferral period, unless a longer period is allowed in the partnership agreement. If that is the case, the County will review to determine the maximum pay-off period that will be granted to the project. Once the pay-off period is expired, residual receipt payments will take priority over any remaining deferred fee. No interest allowed on the deferred fee.	Applies to LIHTC projects. TCAC limits deferred costs to 7.5% of unadjusted eligible basis and, unless required by a State or local public funding source, deferred developer costs may not be in excess of 50% of the developer fee [TCAC Regulations Section 10327(C)(2)(d)]
Developer Fee – Deferred – EXCEPTIONS	The developer fee may be paid out (and not deferred), up to the TCAC limits for: Special Needs Projects that provide a minimum of 50% special needs units.	Applies to LIHTC projects.

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Developer Fee – Non-LIHTC Projects	The developer fee shall be capped at the lesser of: (1) 12% of total residential development cost or (2) $2.5 million per project.	Applies to all non-LIHTC projects, including moderate income rental, homeownership, and cooperative projects.
Development Consultant - Outside (including but not limited to financial consultant, project mgt, entitlement consultant, brokerage fee for site acq.)	$75,000 to $100,000	Consultants who are not part of Developer's in-house staff (incl but not limited to financial consultant, project mgt, entitlement consultant, brokerage fee for site acq.); otherwise, consultant fees must be paid from the project's Developer Fee. The sum of the Development Consultant Fee + the Developer Fee must be less than the Developer fee cap per TCAC.
Disbursement Agents / Service	Cost of service is approximately 1-2% of Construction contract	
Equity Sharing	Home sales and/or member share sales should maximize equity to the households served, while still allowing homes and or member shares to be resold to an eligible household at the same income level.	Applies to homeownership and cooperative projects.
Fees – Loan Compliance	Annual monitoring fee of $100 per unit per year.	
General Conditions + Overhead + Profit	14%	These combined line items should not exceed more that 14% of cost of construction (site work and structures) per TCAC (Sec. 10327(c)(1) At project completion, the overhead and profit % must reflect the % agreed to /allowed at underwriting.
Hard Cost Contingency	New Construction: 5% - 10% (40+ units) or 10% (less than 40 units) Rehab: 10% to 15%	Depends on size of project and whether site has environmental remediation issues.
Hard Cost for Rehab	The min rehab cost must be at least 15% of TCD (excluding land) devoted to rehab.	Rehab work must include replacement of at least two major building systems.
Holding Costs	$5,000 - $10,000/year for vacant building or vacant land	Includes security cost & insurance

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Homeowners' Association (HOA) and Cooperative Budgets	All HOA or cooperative board budgets and reserve studies must meet all California Bureau of Real Estate requirements and be prepared by a professional budget preparer who is familiar with these requirements.	Applies to homeownership and cooperative projects.
Income – Rent/Unit Mix/ Income Restrictions/ Occupancy Standards	Rent: TCAC Affordability, income, rents and associated occupancy standards apply. Note: -If other funding sources are subsidizing the County-assisted units, the most restrictive rent limit applies. -If the project has PBV's or PBVASH, then the Payment Standard will take precedence over other income limits	Borrower is expected to construct the project and restrict the tenant incomes as presented in the Unit Mix and Rents section of the application. Modification will be allowed on a case-by-case basis.
Income Escalation	2.5%/year	Commonly underwriters assume a 1% spread between Income Escalation Factor and Expense Escalation factor.
Leasing (Lease Up) Expense	Equates to the negative cash flow during the lease-up period	The lease-up time period assumption should be noted in the Development Budget. Marketing expenses are not included here but broken out separately.
Leasing (Lease Up) Fee		This is the fee for actual third-party costs paid to a property manager or direct costs for tenant screening. If this expense is included in your budget, the fee must be explained.
Management Fee (Property)	$60 per unit per month (pupm) max to Property Management Company.	Item should not include On-site Manager (full-time or part-time) salary or unit rent.
Marketing	$10,000 max	Expenses such as advertising and promotion incurred during the Lease-Up period in order to attract tenants.
Maximum Subsidy Per Unit		The County has not established a maximum per unit subsidy for 2016 Measure A Affordable Housing Bond. A maximum

Item	Amount	Notes
		subsidy per unit is set for the following funding sources: • No Place Like Home (NPLH) • HOME Investment Partnership A cost allocation plan shall be prepared for any project that includes NPLH or HOME funds. Total amount of NPLH and HOME program funds that awarded shall not exceed the eligible costs associated with units designated as NPLH or HOME "assisted units". The County will use the latest numbers published by HUD and/or State HCD.
Minimum Operating Expenses	Must meet TCAC minimum requirements. Type - Family - 1-15 Units: $6,900 - 16-40 Units: $7,400 - 41+ Units: $6,300 Type– Senior - 1-15 Units: $7,500 - 16-40 Units: $6,400 - 41+ Units: $4,900 Type – Special Needs - 1-15 Units: $7,000 - 16-40 Units: $7,700 - 41+ Units: $6,500 Operating Expenses Escalation of 3.5%	Note that expenses do not include the following expenses: - Replacement/operating reserves - Debt service - Partnership management fees - Deferred developer fee
Offsite Improvements	Range: $5,000 - $10,000/unit	
Operating Reserves – Capitalized	For all rental and cooperative projects: 3 months of operating expenses and 3 months of debt service, unless senior lender has a higher requirement.Projects with project-based rental assistance: Transition reserve up to 2 years (may only be funded through cash flow from Borrower's portion). The County is establishing a County-wide reserve and a capitalized operating reserve should not be needed on a project by projects basis.	May be subject to the requirements of other lenders

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Partnership Management Fee	$19,500/year max before residual receipts. This fee may escalate at 3% per year.	Only applies to Tax Credit Projects Fee should only be taken during the Tax Credit Compliance period (generally years 1 - 15) Payments above $19,500 must either be made out of cash flow after residual receipts or from Borrower’s 50% of residual receipts.
Prevailing Wage	20% more than non-prevailing wage	Acquisition alone does not trigger prevailing wage.
Property Tax Expense – Capitalized and Operating Period	1 ¼% of acquisition cost; any tax refunds must go into reserves.	Property taxes should be greatly reduced after receiving welfare exemption and should be reflected in cash flow.
Property Management Requirements		The management entity of properties with over 30% PSH units must include in their Management Plans, a description of: 1) target population to be housed, 2) property staffing including 24/7 on-site staff coverage, 3) tenant selection criteria and tenant screening policies that specify how barriers to entry to housing will be minimized, in compliance with State of California Housing First requirements, 4) a plan for coordinating with supportive services provider, 5) emergency and safety protocols, and 6) a plan for ensuring staff are trained, including training on property management in PSH, fair housing, and reasonable accommodations, and 7) a plan for the access/distribution of healthy food for residents.
Refinancing		For homeownership projects, a refinancing fee may be collected
Replacement Reserve	Greater of: 1. Multifamily & Special Needs: -Min $300/u/year (new) -Min. $250/u/year (rehab) Seniors & SRO -Min $250/u/year (new) -Min. $300/u/year (rehab) Or 2. A senior lender’s requirement	Borrower should not deposit any more or less in the replacement reserve than what is allowed based on the greater of the County requirement or the senior lender.

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Reasonable Development Costs		Projects with abnormally high costs - generally defined as being more than 15% above the median development cost per unit, per bedroom, or per square foot for similar projects - must provide justification for the costs. If County Staff does not approve the justification for higher costs or the revised budget, the application may be deemed incomplete, or the County could require a reduction in the development budget.
Relocation		Any Sponsor proposing to acquire land or rehabilitate existing structures using City funds that may result in the displacement of tenants or businesses must fully comply with both state and federal relocation laws. Sponsor must provide an assessment of the potential displacement of tenants or businesses, including a detailed summary of tenants or businesses and estimated costs and timing of relocation, along with the name, resumé and contact information of the proposed qualified relocation consultant
Resales – For-Sale Homes & Member Shares	The resale formula for for-sale homes and member shares in cooperative housing shall be based on the affordable price for the initial household and indexed by Area Median Income.	Applies to homeownership and cooperative projects.
Residual Receipts	50-50 split between the Borrower and the other public lenders	The 50% public lender portion is split proportionately and shared between the public lenders.
Soft Cost Contingency	2% - 4% of soft costs	
Subordination	The County may, at its discretion, subordinate repayment and security positions under special circumstances. However, it is the County's intention to no longer subordinate its affordability covenants to the deeds of trust securing other lender's financing, with some exceptions (subject to staff approval and to the ratio of loan to total development cost). The affordability covenants control, among other things, the maximum income of tenants of project units, and the maximum rents allowed for project units.	

UNDERWRITING AND COST GUIDELINES

Item	Amount	Notes
Tax Credit – Price Price/Factor	Range: 4% & 9% Credits: $0.85 to $1.00 per credit	
Transition Reserve		A transition reserve is required for No Place Like Home (NPLH) funded project. The minimum amount of the transition reserve shall be the amount sufficient to prevent rent increases for one year following the loss of the rental assistance. The transition reserve may be capitalized from sources other than NPLH or Measure A funds or funded from annual project cash flow in amounts to be approved by the County. For all other projects, a transition reserve is not required, but will be accepted if required by Senior Lender or equity investor. The calculation method will be subject to the County's approval. Any reserve amount shall remain with the project when the investor exits the owner entity.
Vacancy Rate	Family & Senior: 5%/year Special Needs & SRO: 10%/year Mixed Population: blended rate (between 5% and 10%) with justification	Applies to all rental and cooperative projects. See TCAC's Regulations for vacancy rates.
Wages		The County requires the payment of State prevailing wages be paid when County funds are used for construction. Wage rates for workers performing work related to the development of the awarded projects shall be paid not less than the general prevailing rate of per diem wages, as defined in Section 1773 of the California Labor Code and Subchapter 3 of Chapter 8, Division 1, Title 8 of the California Code of Regulations (Section 16000 et seq.), and as established by the Director of the California Department of Industrial Relations ("DIR"). In addition, if federal funds are used for physical improvements, the higher of State prevailing wage and Davis-Bacon wage rates shall be determined and paid for each job classification.

APPENDIX 3 SUPPLEMENTAL INFORMATION AND APPLICATION FOR PBVS

For this NOFA, SCCHA will consider providing:

- Section 8 Project Based Vouchers (PBVs) for:
  - Permanent Supportive Housing (PSH) projects; and
  - 2-bedroom or larger units for Very Low and/or Extremely Low-Income families
- Veterans Affairs Supportive Housing (HUD-VASH) PBVs

SCCHA's PBV assistance provides federally-funded rental subsidies paid on behalf of eligible families who live in rental housing units that are contracted under the voucher program. All requests for PBVs are subject to availability, approval, and qualifications under HUD requirements and SCCHA's Administrative Plan.

Funding for PBVs is dependent on annual federal Congressional appropriations. SCCHA may increase, decrease, or eliminate the amount of PBVs offered through this NOFA at its discretion. Selection of recipients for PBVs is independent from the County's selection of recipients for awards of funds.

To receive a conditional award of HUD-VASH PBVs, the VA Palo Alto Health Care System (**VAPAHCS**) must first provide written approval of the requested project, including the number, size, and affordability levels of the units in the project for which HUD-VASH PBVs are proposed.

For PBVs, all proposals are subject to SCCHA's financial underwriting analysis and SCCHA may conditionally award a different amount of PBVs than requested by applicants. Selection of proposals under this NOFA will be made through the issuance of a conditional award letter from SCCHA. SCCHA's selection of project proposals is contingent upon fulfilling the conditions set forth in the conditional award letter, as well as those set forth in HUD regulations and guidelines, Federal laws, and SCCHA's Administrative Plan.

Agency Profile

SCCHA is a public housing authority. SCCHA's mission is to provide and inspire affordable housing solutions to enable low-income people in Santa Clara County to achieve financial stability and self-reliance. The primary means to provide this assistance is through the U.S. Department of Housing and Urban Development funded Section 8 Housing Choice Voucher (**HCV**) program. SCCHA currently assists over 17,000 families in the County of Santa Clara through the HCV and similar programs.

SCCHA is a designated Moving to Work (**MTW**) site; MTW is a federal demonstration program established by Congress in 1996 that links broad federal goals with locally-designed actions. The MTW program encourages selected housing authorities to propose and implement innovative changes to the way affordable housing programs are administered by allowing regulatory waivers and flexibilities. Each year, SCCHA creates an MTW plan for the coming fiscal year and a report for the previous year. These documents outline the new activities SCCHA will implement to meet its MTW goals and provide status on activities already underway. For more information on SCCHA, the agency's MTW program and its other rental assistance programs, please visit SCCHA's website at www.scchousingauthority.org.

Eligibility

In order to be considered for PBV award under this NOFA, projects must meet all of the conditions stated below:

1. **Location.** Proposed projects must be located in Santa Clara County, California.

2. **Funding Assembly**. Applicant must demonstrate they are prepared to submit an application for tax credits within 6 months of the selection date for PBVs.

3. **Readiness**. Applicants must demonstrate readiness as follows:
   a. Newly constructed or rehabilitated housing. Must be able to execute an agreement to enter into Housing Assistance Payments (**AHAP**) and start construction within 18 months of the selection date for PBVs.
   b. Existing housing. Must demonstrate that the units will be ready for occupancy within 120 days of the selection date for PBVs.

   The terms "newly constructed," "rehabilitated," and "existing housing" are defined in 24 CFR §983.3.

4. **Minimum and Maximum Number of PBVs.** Applicants responding to this NOFA must apply for a minimum of 20 PBV vouchers and up to the allowable maximum cap on the number of PBV units in each project as set forth in the U.S. Department of Housing and Urban Development (HUD) regulation 24 CFR 983.56, per site. Applicants proposing projects located in Santa Clara County census tracts where the poverty rate is less than 10% may apply for a minimum of 5 PBV units per project.

5. **Form HUD-2880.** Provide a completed and signed Form HUD-2880, which can be downloaded from the following:
   http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud2.

6. **SCCHA PBV Workbook.** All applicants for Section 8 PBVs must complete SCCHA's PBV Underwriting Tool, which is a Microsoft Excel-compatible spreadsheet called the "SCCHA PBV Workbook". Applicants must provide all requested documentation in order to complete the Underwriting Tool. Contact SCCHA staff at pbvinfo@scchousingauthority.org or OSH staff for the current version of the Underwriting Tool.

7. **Underwriting and Right-Sizing.** SCCHA may conditionally award a different number of PBVs than requested by the applicant.

Post-Award Conditions for PBVs. All awards will be conditional on compliance with these requirements. For the selected project(s), the following items must be completed before SCCHA and the owner can execute an Agreement (**AHAP**) or Housing Assistance Payments (**HAP**) contract.

1. SCCHA supervision. Selected applicants must work with SCCHA and provide any documentation requested by SCCHA. Selected applicants should provide prompt and adequate notice of any project developments and/or deadlines. Failure to comply with the requirements set forth in this NOFA, in the conditional award letter selecting the project, or with any other SCCHA instructions may result in rescission of the PBV award.

2. TCAC reservation/CDLAC resolution. PBV conditional awards are contingent on the selected projects obtaining a TCAC preliminary reservation letter and an adopted CDLAC Bond Allocation Resolution (to the extent TCAC and/or CDLAC are applicable to the project financing plan) within three TCAC application cycles of the PBV conditional award letter. Conditional awards are revoked if this condition is not met within the specified time frame.

3. Site and neighborhood review**.** Before any award of PBVs, SCCHA will conduct an inspection of the proposed PBV site and units. Site selection standards include 1) An assessment of the physical attributes and appropriateness of the site for the proposed units; and 2) An assessment of whether the project is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities as stated in SCCHA's Administrative Plan. Applicants may be asked to submit additional information to help facilitate this site review.

4. Environmental review. PBV activities are subject to HUD environmental regulations in 24 CFR parts 50 and 58. SCCHA may not make take any choice-limiting action until all requirements under the applicable environmental review regulations have been complied with. At a minimum, compliance with environmental regulations requires an approved finding that the proposed project is exempt under 24 CFR parts 50 and 58, or of HUD to issue an Authorization for Use of Grant Funds (HUD Form 7015.16) for the proposed project.

5. Determination of initial contract rent**.** SCCHA will determine the amount of initial rent to owner according to 24 CFR §983 et seq.

6. Subsidy layering review. New construction PBV projects that utilize tax credits or other governmental housing assistance from federal, state or local agencies are subject to a subsidy layering review (see 24 CFR §983.55) to prevent excessive public assistance for the project. Applicants will be required to submit a list of documents to SCCHA which will then be submitted to HUD or TCAC for the review. If the County awards federal funds, it will also perform a subsidy layering review.

7. Number of PBVs conditionally awarded. SCCHA may conditionally award less PBV units than requested by proposers. The number of PBV vouchers conditionally awarded is affected by SCCHA's Congressional funding appropriations, SCCHA's voucher utilization and lease-up rates, the number of other PBV projects under development, the amount of PBVs available under SCCHA's policies, and the financial underwriting analysis of the proposal.

Funding Information and Program Requirements

A. Purpose. For this NOFA, the purpose of the PBV Program is: to increase housing choice for eligible program applicants and participants by encouraging property owners to attach project-based voucher assistance to their rental property; to secure accessible supportive services in addition to the case management provided that will assist the family in maintaining their housing; and to increase the stock of affordable housing serving low-income persons in the community, including the chronically homeless, homeless and persons aged 55 and over.

B. Other Program Requirements. All other Federal laws, regulations, and requirements, and all other SCCHA policies and requirements, apply to any conditional award of PBVs under this NOFA.

C. Description of SCCHA-Eligible Housing Project Types. Under this PBV Program, SCCHA will provide assistance to selected qualified existing, rehabilitated or new construction housing developments (as defined by HUD) willing to designate a portion of their units to special needs populations. HUD defines PBV housing developments as follows (24 CFR §983.3):

- New construction housing is housing that does not exist on the proposal selection date and is developed after the date of selection pursuant to an Agreement between SCCHA and the owner for use under the PBV program.

- Existing housing is housing that already exists and that (upon SCCHA inspection of its designated PBV units) substantially complies with the Housing Quality Standards (HQS) on the proposal selection date.

- Rehabilitated housing is housing that exists on the proposal selection date, but whose designated PBV units do not substantially comply with the HQS on that date, and are developed, pursuant to an Agreement between SCCHA and the owner for use under the PBV program.

- If a proposal is for existing or rehabilitation housing, the units to be project based must:

    - Be newly permanent affordable housing (conversion of market rate housing or conversion of non-permanent affordable housing to permanent affordable housing);

    - Be vacant or currently occupied by families who are earning less than 50% AMI adjusted by household size; and

    - Not have other federal, State or local housing restrictions and regulatory agreements that conflict with the HUD Section 8 regulations or SCCHA policies.

D. PBV Housing Quality Standards. HUD-established HQS specifications are described in 24 CFR §982.401. All PBV-assisted units must meet HQS and other requirements before rental assistance can commence.

E. Agreement to Enter the Housing Assistance Payment (AHAP) Contract. Applicant of new housing construction or rehabilitation housing must be able to execute an Agreement to enter into Housing Assistance Payments (**AHAP**) and start construction within 18 months of the selection date for PBVs. **HUD regulations prohibit public housing authorities from awarding PBVs to any project where construction has begun before the AHAP contract has been executed (24 CFR 983.53(d)).**

F. Housing Assistance Payment (HAP) Contract. Upon satisfactory completion of a successful Housing Quality Standards inspection, SCCHA and the property owner will enter into a Housing Assistance Payments (**HAP**) contract for specified units for a term of up to 20 years. The HAP contract establishes the initial rents for the units and describes the responsibilities of the Housing Authority and the owner. Rental assistance (which is based on each household's income) is provided while the units are occupied by eligible families from SCCHA waiting list or referred to SCCHA by the Care Coordination Project (**CCP**). HAP contract renewal after the initial term may occur at the sole option of SCCHA for such period (not exceeding 20 years) as SCCHA determines it appropriate to expand housing opportunities and to achieve long-term affordability of the assistedhousing. All HAP contracts and subsequent renewals are contingent upon the future availability ofappropriated HUD funds for the Section 8 Program.

G. Occupancy and Vacancy of PBV Units. Project-based units must be leased to households eligible for Section 8 assistance for the term of the HAP contract. Vacancies for PBV units designated for the Chronically Homeless Direct Referral (CHDR), Special Needs Direct Referral (SNDR), or Mainstream-811 programs will be filled using direct referrals from the County. Vacancies for PBV units designated for the HUD-VASH program will be filled using direct referrals from VA-PAHCS. Vacancies for PBV units not designated for the CHDR, SNDR, Mainstream, or HUD-VASH programs will be filled using SCCHA's waiting list. Owners are responsible for screening all applicants referred to them for tenancy suitability.

The owner and tenant of a project-based unit must notify SCCHA immediately if a tenant will be moving from a PBV unit. If the unit is designated for the chronically homeless, the Housing Authority will notify the County of the vacancy and the County will refer appropriately-sized households at the top of the agency's waiting list. SCCHA's policy on determining family subsidy size is outlined in Section 6.4 of its Administrative Plan, which is accessible on SCCHA's website: http://www.scchousingauthority.org

Once a tenant is approved by the owner, the owner must refer the household back to SCCHA for final voucher eligibility. A household residing in a PBV unit, who has been a participant in the project-based program for at least two years, may move with continued rental assistance with a tenant-based voucher, if one is available.

H. PBV Ineligible Units. Certain special housing types are NOT eligible for project-based assistance. These include transitional housing, owner-occupied units, shared housing, public housing, Section 202 housing, and Section 236 housing (exception made for units subsidized with Section 236 interest reduction payments) and units occupied by household who are ineligible for participation in the PBV program. Please see 24 CFR 983.53 for a complete list of ineligible properties.

I. PBV Rent Limits. HUD regulations require public housing authorities to limit the amount of rent to owner for PBV units to the lowest of:

1. An amount determined by SCCHA, not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance;
2. The reasonable rent; or
3. The rent requested by the owner.

(24 CFR 983.301(b)).

The current applicable fair market rents (FMR) and utility allowance schedule are on SCCHA's website at:

https://www.scchousingauthority.org/section-8-current-participants/housing-choice-voucher-current-participants/voucher-payment-standard-fmr-utility-allowance/

Please note that SCCHA **does not** include utility allowances for Section 8 PBVs.

Projects utilizing Low Income Housing Tax Credits (LIHTC) have additional requirements for calculating rent amounts; however, projects eligible under this NOFA must comply with conditions that allow the rent to be calculated in accordance with the paragraph above.

COUNTY OF SANTA CLARA
OFFICE OF SUPPORTIVE HOUSING
Supportive Housing Development Fund

Application Form

1. SUMMARY OF REQUEST (*Check all that apply*)

CAPITAL FUNDING			**SECTION 8 PROJECT BASED VOUCHERS**			
Funding Type			Target Population		No. of PBV's	No. of Units
☐	Predevelopment	$	☐	Persons with disabilities		
☐	Acquisition	$	☐	Chronically Homeless		
☐	Construction	$	☐	Homeless and disabled		
☐	Permanent (a)	$	☐	Persons aged 55 and over		
☐	Permanent (b)	$	☐	Opportunity Youth (foster youth, formerly foster youth, young adults (disabling condition))		
	Total	**$** 0		**Total**	0	0

Provide a concise narrative description of the proposal for developing the proposed site.

2. PROJECT & SITE INFORMATION

Project Name ______________________________
Project Address ______________________________
Assessor Parcel Number ______________ Parcel Size (sq. ft.) ______________
Supervisorial District ______________ San Jose City Council District ______________
Census Tract No. ______________ Poverty rate ______________
Purchase Price $ ______________ Appraised Value $ ______________
Site Control Status ☐ Owned ☐ Land Option (*expiration date:*______________)
Summary of Restrictions (if any): ______________________________

____

Project Type ◉ Type 1 ○ Type 2 ○ Type 3 ○ Type 4 ○ Type 5 ○ Type 6
☐ New Construction ☐ Acquisition / Rehab
Total Development Cost $ ______________ Estimate of Equity $ ______________
Number of Buildings ______________ Number of Floors ______________
Number of Parking Spaces ______________ Parking Type ______________
Total Number of Units ______________ Total Number of I/DD Units ______________
Total Number of RRH Units ______________ Total Number of PSH Units ______________

3. DESIGN AND LOCAL AMENITIES

Residential Floor Area			Community Room / Floor area	
Construction Type			Number of Elevators	
Accessible Units	Mobility disabilities		Hearing/sight impairments	
Adaptable Units	Mobility disabilities		Hearing/sight impairments	
Distance to transit				
Distance to groceries				
Health and social services				
Recreation				

4. GREEN BUILDING FEATURES

Attach narrative describing all proposed green building features in the project including, but not limited to, proposed Build It Green certification, LEED certification, and/or transit passes.

5. DEVELOPMENT TEAM

Applicant Technical Capacity and Experience: Provide copies of the following documents for the Lead Developer or Co-Developer entity: 1) certificate of good standing; 2) certification of 501(c)(3) status; 3) previous 2 years of tax returns or audited financial statements; 4) Borrower's organizational chart. Provide a concise narrative to summarize the organizational structure of the Applicant, including the roles of the Developer, Co-Developer, and Development Consultant. Identify and briefly describe the experience of key development staff.

Developer Information

Name of Lead Developer: ______________________________

Director: ______________________________

Contact during Application Process: ______________________________

Telephone and Email: ______________________________

Co-Developer Information

Name of Lead Developer: ______________________________

Director: ______________________________

Contact during Application Process: ______________________________

Telephone and Email: ______________________________

Development Consultant Information

Name of Consultant: ______________________________

Telephone and Email: ______________________________

Property Manager Information

Name of Management Company: ______________________________

Address: ______________________________

Director: ______________________________

Phone/email address: ______________________________

Primary Contact Person: ______________________________

Phone/email address: ______________________________

Resident Services Provider Information

Name of Resident Service Provider: ______________________________

Address: ______________________________

Director: ______________________________

Phone/email address: ______________________________

Primary Contact Person:

Service Provider Information

Name of Service Provider: ______________________________

Address: ______________________________

Director: ______________________________

Phone/email address: ______________________________

Primary Contact Person: ______________________________

Phone/email address: ______________________________

6. DEVELOPMENT TIMELINE

Project Readiness and Milestone Schedule

Milestone	Estimated or Actual Completion Date	Key Prerequisite Milestone / Contingency
Site Control		
Community Engagement		
Entitlements		
Environmental Review (CEQA, NEPA)		
Funding Commitments		
Submit plans and application(s) for plan check and building permit		
TCAC Application		
Building permit issuance		
Construction closing		
Begin construction		
Start of lease-up activities		
Complete construction		
100% Occupancy		
Permanent Loan Conversion		

7. FINANCIAL FEASIBILITY AND COST EFFECTIVENESS

Sources of funds

PHASE	FUNDING SOURCE	REQUIRED LIEN POSITION	STATUS (Pending, Committed)	AMOUNT	TERMS (Rate, Term, Repayment terms)
Predevelopment:					
Acquisition:					
Construction:					
Permanent:					

Attach narrative describing the overall financing plan for the Project and provide full development pro forma, 20-year cash flow projections, Year 1 operating budget and commercial space financing plan (if applicable)

Unit Mix

No. of Bedrooms	Square Footage	No. of Units	% of AMI	Rent*	Utility Allowance	Rent + Utility	PSH Unit	RRH Unit	No. of PBVs	Operating Subsidy
			0%							
			0%							
			0%							
			0%							
			0%							
			0%							
			0%							
			0%							
			0%							
			0%							
			0%							
			0%	MGR UNIT						
			0%	MGR UNIT						

* 24 CFR 983.301(b) requires SCCHA to set contract rents for Project Based Vouchers units at the lowest of: 1) 110% of the Fair Market Rent minus any utility allowance; 2) the reasonable rent; or 3) the rent requested by the owner.

8. PROPERTY MANAGEMENT AND TENANT SELECTION CRITERIA

Briefly describe how the property will be managed, including the number of staff, locations, and management office hours. Attach a copy of the property management plan, the grievance/appeals process, and tenant selection criteria.

9. DEBARRED STATEMENT

Has this firm, or any principal(s) thereof ever been debarred from providing any services by the Federal Government, any state government, the State of California, or any local government agency within or without the State of California?If "yes", please attach a full detailed explanation, including dates, circumstances and current status.

10. DISCLOSURE STATEMENT

If the firm or any principals thereof have any current, past, personal or professional relationship with any Commissioner or Office of the County of Santa Clara (County), please attach a full detailed explanation, including dates,circumstances and current status.

11. NON-COLLUSION AFFIDAVIT

The undersigned party submitting this proposal hereby certifies that such proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham NOFA, and has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham NOFA, or that anyone shall refrain from proposing; that the proposer has not in any manner, directly or indirectly sought by agreement, communication or conference with anyone to fix the NOFA cost of the proposer or any other proposer, or to fix any overhead, profit, or cost element of the NOFA or of that of any proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the NOFA are true; and further, that the proposer has not, directly or indirectly, submitted his/her NOFA price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay any fee to any corporation, partnership, company, association, organization, NOFA depository, or to any member or agent thereof, to effectuate a collusive or sham NOFA.

12. VERIFICATION OF STATEMENT

The undersigned proposer hereby states that by completing and submitting this form he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and agrees that if the County discovers that any information entered herein is false, that shall entitle the County to not consider nor make award(s) or to cancel any award with the undersigned party.

I, the undersigned, hereby certify that I have read and understand this **Profile of Firm Form,** including **Non-Collusion Affidavit,** that I am authorized to submit this proposal on behalf of the proposer, and I guarantee complete compliance with all the terms, conditions and stipulations.

Signature ______________________ Date ______________________

Print Name and Title ______________________

ATTACHMENT A

CREDIT AUTHORIZATION

I hereby authorize the County and SCCHA, to obtain my/our past and current credit information for thepurpose of evaluating the proposal for PBVs funds.

Applicant/Principal Name	
Organization	
Signature	
Date	
Names of Current Partnership/ Corporation/Joint Ventures	
Names of previous and other partnerships, corporations, or joint ventures with which applicant/principal has been involved as a principal	

ATTACHMENT B

ARMS-LENGTH TRANSACTION AFFIDAVIT

The undersigned as an individual and as a corporate officer of____, a California corporation, ("Applicant"), and its affiliates or related entities identified in Exhibit A attached hereto ("Affiliates") being first duly sworn, deposes and states:

1. That neither the undersigned as an individual nor the Applicant or any of the Affiliates have any financial or other interest, whether direct, indirect, contractual, familial or through employment or otherwise, a) in any entity in the chain of title of the property located at________________________________, __________, California ("Property") or b) in any existing or proposed agreements between the current owners of the Property, including but not limited to the contemplated land purchase as evidenced in the Agreement of Purchase and Sale dated____________________, between________________________________("______ ______________") as Seller and________________as buyer ("Agreement of Purchase and Sale" [Attachment]).

2. That neither the undersigned, the Applicant nor any Affiliate have assigned, transferred or otherwise transacted business with Seller other than the contemplated land purchase as evidenced in the Agreement of Purchase and Sale.

3. That neither undersigned, Applicant nor any Affiliate hold any interest whatsoever, direct or indirect, in the Seller or any broker or agent involved in the sale of the Property.

4. No employee, officer or shareholder of the Applicant or any Affiliate is an employee officer or shareholder of Seller or any broker or agent involved in the sale of the Property.

The undersigned declares under penalty of perjury that the information contained in this Affidavit is true and correct.

Seller

____ ______________________________

(Signature) (Date)

Name:_________________________________in his/her individual capacity.

Social Security Number: ___________________________________

Buyer

____ ______________________________

(Signature) (Date)

Name:_________________________________in his/her individual capacity as Officer of Applicant and Affiliates.

Social Security Number: ___________________________________

STATE OF CALIFORNIA **ss.**

COUNTY OF SANTA CLARA

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

On_____________, before me,____________________**, a notary public**, personally appeared ____ __________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________________ (Seal)

STATE OF <u>CALIFORNIA</u> **ss.**

COUNTY OF <u>SANTA CLARA</u>

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

On_____________, before me,____________________**<u>, a notary public</u>**, personally appeared ____ __________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________________ (Seal)

ATTACHMENT C
Checklist for Required Information

1. Summary
2. Combined Application Form (with all signatures)
3. Sponsor Background
   - ☐ Certification of 501(c)(3) status
   - ☐ Previous 2 years of tax returns or audited financial statements with management letters signed by Applicant or certified by CPA (Partnerships: please include for general partner), with needed explanations.
   - ☐ Borrower's organizational chart
   - ☐ Certificate of Good Standing
4. Applicant Technical Capacity and Experience
   - ☐ Developer: List and description of other projects owned and developed with similar target population.
   - ☐ Property Management: List and description of other projects and number of units.
   - ☐ Service Provider: For non-PSH projects without County-assigned Service Provider, list and description of other projects and number of units managed with similar target population.
5. Property Management and Operation Plan
   - ☐ A description of resident services (one page maximum) that the project will provide for non PSH/RRH populations.
   - ☐ Draft Property Management Plan (including tenant selection criteria).
6. Site Control
   - ☐ Evidence of site control
   - ☐ Appraisal
   - ☐ Preliminary Title Report
   - ☐ Phase I Report, Phase II Report, and Remediation Plan, as applicable.
   - ☐ Scaled Map showing all amenities for which Applicant will use to demonstrate minimum eligibility for TCAC and CDLAC funds.
7. Project Readiness
   - ☐ Project milestone schedule
   - ☐ Evidence of zoning approvals
   - ☐ Evidence that proposed new construction is permitted by current zoning law; or
   - ☐ Evidence to indicate that needed zoning is likely to be obtained and will not delay the project.
8. Financial Feasibility and Cost Effectiveness
   - ☐ Full development pro forma including:
   - ☐ 20-year cash flow (including as appropriate, commercial revenue)
   - ☐ Year 1 operating budget
   - ☐ A narrative description of the project cost and financing plan, including total project cost, all committed sources, all anticipated sources and the status.
9. Leveraging
10. Community Engagement
    - ☐ Proposed community engagement plan

Supplemental Checklist for PBV Allocation

1. De-concentration of Poverty/Communities of Opportunity and Locational Amenities
   - ☐ A list (3 pages maximum) of educational and economic advancement opportunities, and off-site amenities and services in close proximity to the site, including distance from the site. Identify access to public transportation and health services and distance from the project site.
   - ☐ A map to scale, showing location of project and at least a ½ mile radius around project along with the location of amenities, services, and educational and economic advancement opportunities.
   - ☐ List of project amenities (one page only) provided by the owner, on-site management services at the project.
2. Form HUD-2880
   - ☐ Applicant/Recipient Disclosure/Update Report. Provide completed and signed Form HUD-2880, which can be downloaded from: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud2