

**CITY OF FREMONT
AFFORDABLE HOUSING FUNDS
FOR
RENTAL HOUSING DEVELOPMENT**

**NOTICE OF FUNDING AVAILABILITY (NOFA) AND
REQUEST FOR PROPOSALS (RFP)**

**Proposal Due:
Wednesday, August 18, 2021 by 2 p.m.**



Contacts for Questions:

Lucia Hughes, Lhughes@fremont.gov; (510) 494-4506 All inquiries and/or

questions shall be submitted no later than Wednesday, August 11, 2021

**CITY OF FREMONT
NOTICE OF FUNDING AVAILABILITY (NOFA)
REQUEST FOR PROPOSALS (RFP)**

Proposal Deadline: Wednesday, 2:00 p.m., August 18, 2021

I. INTRODUCTION

The City of Fremont (City) is announcing a Notice of Funding Availability (NOFA) for the creation of affordable rental housing in Fremont. Up to a maximum of \$45 million in funding is available to support predevelopment, acquisition and construction or rehabilitation of affordable rental housing. The funding is intended to fill the financing gap between a project's total development cost and other available financing sources. The funding available through this NOFA is for capital costs only; no financing is available to fund operating subsidies or supportive services. If additional funds are available and the City Council approves, the amount awarded through this NOFA may also increase.

Qualified affordable housing developers/project sponsors ("Applicants") that can meet the NOFA requirements and demonstrate their ability to finance, design, build/rehabilitate and manage affordable rental housing are encouraged to submit proposals. All proposals must be received by 2 p.m. on Wednesday, August 18, 2021. Applications submitted after the deadline will not be accepted. Funding will be awarded by the City on a competitive basis to the project or projects that provide the best opportunity to address the City's affordable housing needs. The City reserves the right to request that Applicants submit additional information to clarify submitted information. Also, the City reserves the right to suspend, amend or modify the provisions of this NOFA, to reject all proposals, to negotiate modifications of proposals, or to award less than the \$45 million of funding made available.

City Funding Sources

Funding for this NOFA will be provided from one or more of the following sources:

- Low and Moderate Income Housing Fund program income collected by the City as the Housing Successor Agency to the former Fremont Redevelopment Agency;
- Fees paid to the City by developers to comply with the City's Affordable Housing Ordinance;
- Commercial Linkage Fee for Affordable Housing; and
- General Fund monies appropriated for affordable housing purposes by the City Council.

The funds described above may be supplemented with federal HOME Program funds that the City receives through its participation in the Alameda County HOME Consortium and/or with federal Community Development Block Grant (CDBG) allocations and/ or the Local Housing Trust Fund that the City received from the State Housing and Community Development Department. These funds may also be supplemented with other grant funds that the City is successful in securing to support affordable housing.

Other Potential Funding Sources

The City strongly urges all Applicants to investigate other funding sources to augment and leverage the proposed City funds. In addition to the Federal Home Loan Bank's Affordable Housing Program (AHP) funds and the many funding programs offered by the State Department of Housing and Community Development (State HCD), there are also emerging loan funds and programs being offered and managed by Bay Area LISC and the Housing Trust Silicon Valley (Note: HTSV - The Apple Fund which is being managed by HTSV may have another funding cycle in late 2021/early 2022).

Bay Area LISC manages the Bay Future Fund (BFF) which is a \$500 million loan fund available in the Bay Area including Alameda County. BFF invests in affordable housing serving a range of incomes from Extremely Low Income individuals and families to workforce housing – ranging from 0-120% Area Median Income (AMI). There are a variety of loan structures available from predevelopment to mini-permanent loans. Nonprofit housing developers, mission aligned for-profit developers, or service providers partnered with either are all eligible borrowers. Loan-to-Values (LTV) up to 100% LTV are allowed, with 150% LTV considered for permanent supportive housing developments. The typical range for the interest rate is 4-5% with maximum loan sizes ranging from \$3 to \$7.5 million. Bay Area LISC also manages the Community Housing Fund (CHF – Facebook Fund) which is a \$150 million loan fund available in Alameda County and provides low-cost financing for affordable housing developments for new construction only. Proposed developments must have a minimum of 20% of the units restricted at 30% AMI or below. Proposed developments may also include permanent supportive housing built for Extremely Low Income individuals and families. CHF supports a variety of loans from predevelopment through permanent financing. Eligible borrowers are the same as the BFF fund. LTVs for predevelopment or acquisition loans up to 150% of “as-is” appraised value will be considered; or, if there is no appraisal, then the purchase price is eligible. For construction or permanent loans, up to 100% LTV on the “as-completed” value will be considered. The interest rate is fixed at 2% with a maximum loan size of \$15 million per project. Both of these financing sources are available to nonprofit and for-profit entities sponsoring affordable housing developments in the City and compatible with this NOFA's affordability levels and target populations.

In addition to the above, the California Housing Finance Agency (CalHFA) has a permanent loan program called the Mixed Income Program (MIP) that provides long-term subordinate financing for new construction of multifamily housing developments which restrict units at a mix between 30% and 120% AMI. However, the proposed project must meet the City's requirement of up to 80% AMI. For fiscal 2021-2022, CalHFA has a proposed budget amount of \$85 million for the MIP program in the current Governor's budget proposal. Proposed projects must be tax credit transactions that are income averaged and must not exceed an average affordability of 60% AMI across all restricted units. In addition, MIP funds must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan must be provided by a CalHFA MIP qualified construction lender. MIP subsidy loans must also be used in conjunction with CalHFA's permanent first lien mortgage financing. MIP subsidy loans cannot be combined with 9% tax credits and other State subordinate debt and/or subsidy programs, but can be used with 4% tax credits. Of the total amount of proposed units, at least 10% must be at or below 50% AMI; at least 10% must be between 60% to 80% AMI.

Eligible Applicants

Eligible Applicants include nonprofit and for-profit housing corporations, joint ventures, limited liability companies and partnerships. Applicants must have demonstrated experience and capacity in the development and management of affordable rental housing. Applicants should have experience completing affordable rental housing projects of similar size and complexity as the proposed project, and preference will be given to those with demonstrated knowledge and experience in the nine-county San Francisco Bay Area affordable rental housing market.

Eligible Projects

Each Applicant is permitted to submit up to two project applications in response to this NOFA. Eligible projects must be new construction rental developments or substantial rehabilitation of existing market rate developments for the purpose of creating new affordable rental housing for Extremely-Low, Very-Low, and Low-Income households of no more than 80% area median income (AMI). Projects intending to access funding from the Bay Area LISC's Bay Futures Fund or Community Housing Fund or CalHFA's MIP program must meet all criteria established by these respective funds/programs. Some of the unique criteria of each have been highlighted above. Mixed-use projects (containing both residential and nonresidential space) are eligible. Projects where City funds would be used to provide deeper and/or broader levels of affordability in new rental housing than would be required under the City's Affordable Housing Ordinance are also eligible. Generally, for mixed-use projects, the residential space should be a minimum of two-thirds of the gross square footage of the development. The non-residential component of the project must be financially self-supporting.

In Good Standing with the City

All of Applicant's other projects within the City that have previously received City funding must be compliant with all requirements of City loan documents.

Bond Issuer

On projects with tax-exempt bonds, the City is required to be the issuer unless otherwise waived by the City.

Sites Available for the Development of Affordable Housing

The City's General Plan, adopted by the City Council in December 2011, designates areas in the City, predominantly in locations within one-half mile of a transit station or a designated priority development area (PDA), where residential development at a density of 30 dwelling units per acre (du/acre) or higher can be allowed. Fremont recognizes that higher density residential, planned districts and mixed-use districts provide the potential for lower construction costs because of the economies of scale created and are therefore typically most suitable for development of housing affordable to Extremely-Low and Low-Income households. Also, the City's mixed-use ordinance allows development of housing at higher densities (30 units per acre or higher) by right in the Town Center and Mixed-Use districts or with the approval of a conditional use permit in most commercially zoned districts.

The City's adopted [2015-2023 Housing Element](#) is a valuable resource for identifying possible affordable housing sites. Table 5.2 of the Housing Element Appendix lists residential parcels

zoned for development at a density of 30 units per acre or higher. In addition to listing the sites, the Housing Element tables also provide the City's preliminary analysis of characteristics for each site, including current site use, infrastructure and environmental constraints, and realistic development potential. Table 5.3 of the Housing Element Appendix lists vacant and underutilized commercial parcels where the City believes redevelopment is likely for new housing, as allowed by the General Plan and zoning.

Sites listed in the Housing Element are provided for information only. Project proposals are not limited to the sites listed in the Housing Element, and there is no prioritization of geographic locations or specific zoning districts. Zoning and general plan designations are subject to change at any time at the discretion of the City Council.

Project Threshold Criteria

- Applicants must have site control as defined in Section IV, G, Site Control below;
- Housing units must remain affordable for at least 55 years;
- Projects must have reasonable acquisition and construction costs; the ability to compete well in securing other/competitive funding sources, including, but not limited to: County; federal and state sources; Low-Income Housing Tax Credits (LIHTC) and private equity; and be soundly underwritten;
- Underwritten rents shall be at least 10% below market rents for all project units based upon an approved Appraisal;
- Projects must leverage other financing sources;
- Projects must incorporate high quality design and amenities (for a general overview of what the City considers high quality design, see the [Community Character Place Types Manual](#) of the General Plan; also see various [City Design Guidelines](#));
- Projects must incorporate “green” building practices and materials in building design and construction (refer to Section II, Evaluation and Selection criteria below);
- Projects must be designed to be compatible and properly integrate with neighborhood scale, massing and setting;
- Projects must incorporate appropriate community spaces, amenities and services for the target population;
- Applicant must have demonstrated experience with successful affordable housing projects, the ability to timely secure funding sources that minimizes the City's contribution of local funds, and the capacity to work cooperatively with the community in the design and development of the Project;
- Projects shall be consistent with the goals and objectives of the Housing Element [Housing Priorities](#);

- Projects should target Extremely Low Income households of 30% or less of AMI, Very Low Income households of 50% or less of AMI, and Low Income households not exceeding 80% of AMI;
- Projects should consider a range of households, including transition-age youth, veterans, large families, seniors and homeless households or those at risk of homelessness; and
- Projects should include supportive services appropriate for the expected tenant population as an integral component of the project including identification as to how the provided services will be funded long-term.

Key Underwriting Guidelines

- **Loan Repayment** – Generally, the City requires 50% of Net Cash Flow for residual receipts payments.
- **Capitalized Operating Reserve** – Minimum three-months of operating expenses, reserves, and debt service.
- **Rental Income During Construction** – Net rental income from operations from lease-up prior to permanent loan conversion shall be included in the calculation of project cost savings.
- **Total Development Budget Savings** – Total project cost savings shall be determined in an accounting report prepared by a third party certified public accountant and shall show Project Development Costs and Project Income Sources through the date of the report as well as estimated through the Conversion Date. In the case of a tax credit development, total project cost savings shall be disbursed first to cover reductions in the tax credit equity contribution amounts if any and then to pay interest and principal on the City loan.
- **Commercial Space** – Commercial spaces will be excluded from the City underwriting assumptions. The financing plan for nonresidential space shall be provided to and approved by the City and the associated costs must be listed separately.
- **Vacancy Rate Assumptions** – City assumptions generally mirror those of the California Tax Credit Allocation Committee (TCAC) policy: (5%) for family and seniors; and ten percent (10%) for permanent supportive housing, other special needs, and SROs.
- **Total Operating Expenses** – Minimum operating expenses will generally be consistent with those set by TCAC per region and project type (not including property taxes, replacement reserves, depreciation or amortization expense, or the costs of any service amenities). Maximum operating expenses may be approved by the City in its sole discretion based on portfolio surveys and developer information.

- Replacement Reserves – For new construction a minimum of \$250 per unit annually and a maximum of \$350 per unit annually. For rehabilitation projects, a minimum of \$300 per unit annually and a maximum of \$400 per unit annually as determined by a 20-year replacement schedule based on a Physical Needs Assessment. Exceptions may be granted for other financing or project requirements. Reserves must remain with the project when the investor exits the owner entity.
- Operating Reserve Withdrawals and Replenishment – Operating Reserve replenishment to be funded from developer’s share of Net Cash Flow.
- On-Site Property Management – All proposed projects must include, at a minimum, on-site management staff during normal business hours.
- Qualifications for Property Managers – The proposed management firm, or a principal in the firm, is required to submit evidence of successfully managing at least five projects, each with over ten units and subject to a recorded regulatory agreement for at least three years prior to the loan application.
- Management Plan – A draft management plan, lease agreement, and related documents will be submitted with final approval from the City prior to construction loan closing.
- Security Plan – Developers must submit a security assessment and a plan for review and approval by the City.
- Supportive and/or Special Needs Housing – Properties with supportive/special needs occupancy will submit a plan that addresses the needs of the population.

The ability to satisfy the Project Threshold Criteria and the Key Underwriting Guidelines does not guarantee City project funding and the City reserves the right in its sole and absolute discretion to modify or waive any of these requirements without further notice to Applicants or potential Applicants.

Review of Proposals & Project Selection Process

City staff and technical consultants will review all proposals submitted that meet the NOFA requirements. Proposals will be evaluated based on the Applicant and Project Selection Criteria identified under Section II below. Proposals that receive favorable staff review will be presented to the City Council, with staff’s funding recommendation, for further consideration and for a final funding decision. Once the City Council has made a final decision, staff will begin negotiation of loan documents with the selected Applicant(s).

City Financial Participation

Depending upon the financial need of the Project, the City will generally provide a capital contribution in the form of a 55-year loan (City Loan) with an interest rate of 3% simple-interest, payable from residual receipts. The City Loan will include an amount up to \$1,000,000 (Predevelopment Component) for predevelopment costs (see definition below). The selected

Applicant must provide adequate security for the predevelopment component of the City Loan, including but not limited to assignment of the purchase agreement and plans and specifications. The City Loan will be secured by a promissory note and recorded trust deed (Deed of Trust) and will be conditioned upon additional security in the form of a recorded rent regulatory agreement and a notice of affordability restrictions. The City Loan may not be used to fund operating subsidies or supportive services.

The Deed of Trust for the City Loan will initially be recorded in second lien position junior to any private lender acquisition/construction trust deed, and further may be subordinated to other state or federal public agency financing, if required by law. The selected developer will be required to start construction within three years from the date the Loan Agreement is executed or risk losing the City's funding commitment.

Predevelopment Loan: As security for a Predevelopment Loan, selected Applicants are required to assign to the City its rights and obligations with respect to certain agreements (including purchase agreement), plans and specifications and approvals. If the project is proceeding and subsequent financing is approved; the Predevelopment Loan is rolled into the subsequent loan. If the project proves infeasible, the predevelopment loan may be forgiven in certain circumstances pursuant to the terms of the Predevelopment Loan Agreement.

Predevelopment costs: Predevelopment costs are upfront project costs necessary to determine project feasibility and include: costs of an initial feasibility study; consulting fees; legal fee; architectural and engineering fee; soil and environmental review services; and other upfront expenses incurred during the preconstruction phase. Predevelopment costs do not include option deposits to acquire site control.

Partnership/Asset Management Fees

For tax credit projects, the annual Partnership Management Fee and Asset Management Fee may not exceed \$15,000 and \$10,000, respectively, and may increase at up to 3% per year.

Compliance Monitoring Fee

The City charges an upfront Compliance Monitoring Fee to cover the cost of monitoring the developer's compliance with the City Loan Agreement for the term (55 years) of the City Loan. The fee is \$5,000 per year, for 55 years, discounted to the net present value using the City's current investment rate as the discount rate or the developer can choose to pay \$5,000 per year for 55 years.

Legal Fees

Charges incurred by the City's outside counsel during the negotiation and execution of loan documents, including both the predevelopment loan and the construction loan will be paid directly by the developer.

Environmental Review and Assessment

Projects must comply with the requirements of the California Environmental Quality Act. If federal funding is involved, the Project will also be assessed in accordance with the National Environmental Policy Act (NEPA) requirements.

Insurance Requirements

The selected Applicant will be required to comply with the City's insurance requirements, summarized as follows:

- a. Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than \$1 million each accident.
- b. Commercial General Liability insurance with limits not less than \$2 million each occurrence.
- c. Comprehensive Automobile Liability insurance with limits not less than \$1 million for each occurrence.
- d. Property insurance, including during the course of construction builder's risk insurance, covering the development, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value.
- e. Commercial Crime Insurance covering all officers and employees, for loss of City Loan proceeds caused by dishonesty, in an amount not less than the amount of the City Loan naming the City as a Loss Payee, as its interests may appear.
- f. The general contractor, subcontractor, or agent working on the development must maintain insurance of the types and in at least the minimum amounts described in items a, b, and c above, except that the limit of liability for commercial general liability insurance for sub-contractors is \$1 million.
- g. All policies, both during construction and after completion, must name the City as an additional insured.

The above summary covers general requirements and does not include comprehensive detail about the City's insurance requirements. For specific questions and exact insurance requirements, the Applicant should contact the City's Risk Management Office at email: riskmanagement@fremont.gov or phone: (510) 284-4050.

II. EVALUATION AND SELECTION

Applicant and Project Selection Criteria

Applicants who submit proposals that meet the requirements of this NOFA will be evaluated according to the criteria below.

1. Applicant Qualifications, Experience and Management of Affordable Rental Housing:

- a. Qualifications of the Applicant and development team.
- b. Experience completing affordable rental housing projects of similar size and complexity as the proposed project, and preference will be given to those with demonstrated

knowledge and experience in the nine-county San Francisco Bay Area.

- c. Applicant's track record of successfully developing similar projects on time and within budget.
- d. Positive track record for collaborative negotiations with public agencies (as demonstrated by references).
- e. Track record of positive cash flow and compliance with regulatory agreements, property reserves and property management standards for existing projects.
- f. Quality and track record of on-site management of rental properties, including ongoing upkeep and maintenance of the property, availability of conflict resolution programs, and highly trained on-site managers that maintain a crime-free, healthy and safe environment.
- g. Experience and track record of the proposed service provider (as appropriate) in regards to providing services to the identified target population.

2. Applicant Financial Capability and Economic Feasibility of Project:

- a. Applicant's financial strength and track record in securing the proposed financing.
- b. Source and amount of equity contributions and other sources of funding.
- c. Degree of leveraging of City Affordable Housing funds.
- d. Track record in securing 9% LIHTC, 4% LIHTC, project-based housing vouchers, and other major funding.
- e. Per unit subsidy of City Affordable Housing funding requested and overall per unit cost to construct (lower the better).

3. Public Benefit and Response to City's Housing Priorities:

- a. Project has housing units affordable to Extremely Low (highly desirable), Very-Low and Low income households.
- b. Project has housing units that address households with special needs (e.g., homeless, large families, transition-age youth, seniors, and/or special needs).
- c. Project has appropriate level of services for the target population and has identified funding to provide for such services.
- d. Applicant has proven success at gaining community support for affordable housing projects and remaining sensitive to community and neighborhood concerns throughout operations.

- e. Quality of the proposed structures. Attention to detail with a focus on enhancing the quality of life for the future occupants and design compatibility with surrounding neighborhood.
- f. Project results in units that can be counted towards the production totals of the City, pursuant to definitions in California law and adopted by the Association of Bay Area Governments (ABAG) Regional Housing Needs Assessment (RHNA).
- g. Project incorporates Universal Design principles into some or all affordable units.

4. Site Appropriateness:

- a. Project site is within ½ mile of a transit station or a transit corridor, or located within one of the four PDAs.
- b. Project site has easy access to relevant local services and amenities, such as parks, medical services, fresh foods, schools, etc.
- c. Proposed project is consistent with the proposed site's General Plan land use designation and zoning. In cases where the land use designation and/or zoning would require an amendment, applicant can demonstrate that the proposed project warrants an amendment to land use and zoning designations and is compatible with surrounding land uses.

The site's appropriateness should be described in detail in a prepared narrative (see subsection E of Section IV, Submittal Requirements). It should be noted that projects are not required to meet every criterion listed.

5. The City has the following Sustainability Requirements:

Fremont is a national leader in the promotion of environmental sustainability, particularly in the research, manufacturing, and accelerated application of solar technologies. In 2017, the City adopted a local Mandatory Solar Requirement for new residential developments. Since January 1, 2020, the City's local requirement has been replaced by the 2019 California Energy Code's energy standards for solar PV and solar ready construction. A solar fact sheet prepared by the California Energy Commission summarizing these statewide requirements is available [here: https://www.energy.ca.gov/sites/default/files/2020-11/2020%20-%20CEC%20-%20Solar%20PV%20Systems_ADA.pdf](https://www.energy.ca.gov/sites/default/files/2020-11/2020%20-%20CEC%20-%20Solar%20PV%20Systems_ADA.pdf).

Sustainability seeks to reduce or completely eliminate negative impacts on the environment through principles and practices that reduce consumption of non-renewable energy, and minimize waste and negative impact to the environment. In order to significantly reduce the greenhouse gas emissions associated with the building operations throughout the lifetime of the structure (i.e. building decarbonization), **the City is requiring all-electric building design for any projects funded under this NOFA**. Projects should incorporate features beyond the California Building Code that conserve (or produce) energy, reduce greenhouse gases, improve indoor air quality, reduce waste, conserve water, and increase resiliency. Water conservation both within the building and as part of the project landscape is a high priority.

Pending approval from the California Public Utilities Commission (CPUC), a new California statewide program administered by PG&E and implemented by Willdan Energy Solutions will offer free energy design assistance services to improve energy performance for new all-electric nonresidential construction and major alteration projects. Projects must be in the design phase, and should participate as early in design as possible. Cash incentives may also be available for qualified projects. Multifamily projects four stories and more will be eligible for this program. Once approved by the CPUC, the program anticipates opening enrollment by August 1, 2021. The advice letter filed with the CPUC by PG&E for approval of this program can be found [here](https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_4387-G.pdf): https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_4387-G.pdf. Additional program information is anticipated by July 2021. Projects selected to receive funding must at a minimum, enroll in the PG&E program should the program become available.

Resources for project developers:

- i. A new statewide initiative called the Building Initiative for Low Emissions Development (BUILD) Program will provide incentives for the deployment of near-zero-emission building technologies in low-income residential buildings that reduce greenhouse gas (GHG) emissions significantly beyond what otherwise would be expected to result from the implementation of the prescriptive standards described the California Energy Code. More information and updates on the BUILD program can be found on the California Energy Commission website.
- ii. The [California Solar on Multifamily Affordable Housing \(SOMAH\) Program](#) offers monetary incentives for eligible solar PV systems installed on multifamily affordable housing. To qualify for a SOMAH incentive, properties must have at least 5 units, be deed-restricted low-income residential housing, and either have 80% of property residents with incomes at or below 60% of the area median income or be located within a defined disadvantaged community (DAC) that scores within the top 25% of census tracts statewide within [CalEnviroScreen](#). While properties must be an existing building or retrofit, new construction properties may receive upfront technical assistance but must have their certificate of occupancy before submitting a reservation request.

6. Completeness, Accuracy, and Quality of Proposal

This includes an overall evaluation of the proposal itself, as evidence of the Applicant's understanding of the project's purpose and objectives, knowledge of the field, and ability to prepare concise reports. It also includes the completeness, accuracy and quality of an applicant's response to questions regarding the proposal.

7. Quality and Completeness of Proposed Budget

The accuracy of the budget reflects both the Applicant's understanding of the budget needed and key underwriting guidelines described above to deliver the proposed project and its ability to prepare accurate fiscal reports.

III. PROPOSAL PROCESS

Proposal Submission Format and Submittal

Applicants must submit material in the following format. See Section IV below, Submittal Requirements, for specific material to be included in proposal application:

- Hard Copies: One (1) original and one (1) copy of complete proposal
- Thumb Drive/ Memory Stick: All proposal material must also be submitted on a thumb drive/ memory stick. The phased sources and uses of funds, operating pro forma and any other budget spread sheet must be submitted in Excel format.
- **Proposals must be received by 2:00 p.m., Wednesday, August 18, 2021.**

Deliver to:

City of Fremont
Housing Division
39550 Liberty Street,
Fremont, CA 94538

Those dropping off proposals should be advised that the Development Services Center building located at 39550 Liberty Street will reopen on Tuesday, July 6. It will be open to the public only on Mondays and Wednesdays from 8:00 a.m. to 3:30 p.m. (closed from 12:00 p.m. to 1:00 p.m.).

Those using a delivery or courier service should ensure their proposal is delivered prior to the deadline of **August 18 at 2:00 p.m.**

Proposals Become Public Records

Under the California Public Records Act (PRA), ***ALL DOCUMENTS SUBMITTED IN RESPONSE TO THE NOFA ARE CONSIDERED PUBLIC RECORDS AND WILL BE MADE AVAILABLE TO THE PUBLIC UPON REQUEST***, unless withheld from disclosure for the City's sole and exclusive benefit pursuant to an exception to disclosure under the PRA or other applicable law. Please do not include confidential information or information that may violate the privacy or intellectual property rights of a third party.

Pre-Proposal Meeting

Applicants are encouraged to attend a Pre-proposal Information Meeting on this NOFA:

Virtual Pre-Proposal Information Meeting:

Date – Friday, June 11, 2021

Time – 1:30 p.m. -3:00 p.m.

Web: <https://zoom.us/j/95907195658>

Phone: 1-669-900-9128

Webinar ID: 959 0719 5658

Proposal Process Timeline

The tentative timeline for evaluating and selecting proposals is presented below:

NOFA SCHEDULE	
EVENT	DATE
NOFA released	May 2021
Pre-Proposal information meeting	Friday, June 11, 2021
Proposals due	By 2 p.m., Wednesday, August 18, 2021
Initial review of proposals completed	September 17, 2021
Applicant interviews (Specific date TBD)	Mid/ late September 2021
City awards funding	Early November 2021
Loan, Regulatory Agreements Negotiation	December 2021
City approve Loan and Regulatory Agreements	January 2022

Right to Reject Proposals

The City reserves the right to reject any and all proposals for any reason, and at its sole discretion. The City reserves the right to alter the guidelines in the NOFA at any time, at its discretion. Interested Applicants are therefore encouraged to submit all inquiries or questions to Lucia Hughes at Lhughes@fremont.gov before preparing a proposal in response to this NOFA. All inquiries and/or questions shall be submitted no later than Wednesday, August 11, 2021. City staff will post the FAQ on www.Fremont.gov/NOFA2021.

IV. SUBMITTAL REQUIREMENTS

A. Cover Letter

Provide a brief summary of the proposed Project and discuss your firm's qualifications, why you are uniquely qualified to merit the City's investment, and why your proposal should be selected for funding.

B. Development Entity

- Identify the entity with the legal authority to contract directly with the City, including all joint ventures/limited partners and their percentage ownership interest (if applicable).
- Include resumes of key individuals and their roles.
- Identify person who has the legal authority to enter into a contractual agreement with the City on behalf of the Applicant.

C. Financial Statements

In order to assess the financial soundness of the Applicant's proposed principal development entity, the submittal shall include copies of the three most recent audited financial statements of the Applicant and each proposed development entity/joint venture partner, as applicable.

D. Experience

- Provide evidence of past project experience, particularly with developing affordable rental housing projects. For three (3) projects include: a brief narrative description of the project, the Applicant's role, the cost of the project, amounts and sources of funds used to finance the project, the date the project was completed, audited financial statements for the three most recent years of each projects operations, and indicate if the project was completed on time and within budget.
- For each of the projects identified above for past project experience, provide a reference with the applicable city or redevelopment agency/redevelopment successor agency including name, email address and phone number.

E. Description of Proposed Project Concept

- Provide a written description of the proposed Project, scale of development (stories, type of construction, size, number of buildings, use of proposed tenants of commercial component (if applicable), occupancy restrictions, number and bedroom size of units, number of parking spaces, and type of amenities). The City strongly encourages new construction approaches/ technology with a proven track record of significant cost savings and compatibility with the need of the proposed tenant population.
- Provide basic site information such as property address; Assessor Parcel Number; square footage; existing uses; an initial assessment for the need to relocate existing commercial and/or residential tenants, as may be applicable; current General Plan land use designation and zoning; indicate if the proposed Project is consistent with the existing zoning, or if rezoning is required.

- Describe the property location, neighborhood, transportation options, local services and amenities (full-service grocery store, neighborhood park, pharmacy, medical facility, schools, etc.) within close proximity to the site (include distance, e.g., ¼ mile, ½ mile).
- Provide a graphic depiction of the proposed Project consisting of a preliminary site plan and elevation. Overly detailed architectural renderings or glossy material are discouraged in response to this NOFA.
- Describe how the Project will be managed. Also, provide a list of rental projects that are currently under the company's management. Include each property's location, number of units and number of affordable units.

F. Financing Plan and Pro forma

Provide a narrative description of the proposed method of financing the proposed Project including all sources of debt and equity. In the case of a proposed tax credit project, identify the assumed tax credit pricing/cents on the dollar projected in the proposed project's Sources and Uses. Given the competitive nature of many of the available County, state and federal funding programs, the narrative should describe the Applicant's approach to alternative financing scenarios as a contingency to the preferred plan.

The proposal should also include a complete preliminary financing pro forma of the proposed Project including:

- Total development cost budget, itemized for each component of the Project, identifying predevelopment costs, estimates of land acquisition and site preparation costs (if applicable), direct construction costs (for each component) and all indirect and financing costs, including the developer fee, construction escalation, design contingency, and construction contingency of no less than 10%.
- For mixed-use projects, a development budget with the costs attributable to the commercial/retails component clearly delineated from those for the residential component.
- A complete, phased, sources and uses of funds table for acquisition/predevelopment, construction and permanent financing for each component of the Project. The table should clearly indicate the amount of requested City Affordable Housing financial assistance and the proposed repayment terms of such assistance.
- An initial 15-year operating pro forma with estimated income and expenses including rents for each unit type and assumed inflation factors for both revenues and expenses; assumed vacancy rate; projected debt service with commercial lender assumed interest rate, loan term and amortization, as appropriate; and all distributions of remaining cash flow. The pro forma should clearly detail assumptions on rents for all unit types including utility allowance factors and other sources of income.

G. Evidence of Site Control

At the time of proposal submission, the Applicant must have site control of the property for the proposed Project for which funding is requested. The Applicant must show that if the proposal is selected, site control can be maintained until the property can be acquired. As evidence of site control, one of the following documents must be submitted with the application:

- Purchase and Sales Agreement, including evidence that the agreement is for a term that is sufficient to hold the property until the anticipated date of purchase;
- Option to purchase or lease, binding on seller or landlord, including evidence that options are renewable until the anticipated date of purchase;
- A long-term lease agreement with a term of not less than 75 years;
- Executed land sales contract or other enforceable agreement for acquisition; or
- Other evidence that Applicant has site control acceptable and as determined by the City.

H. Appraisal

An appraisal is required that has been completed within six months of the application deadline. The appraisal must conform to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice. All appraisers must be California State licensed/certified.

I. Preliminary Title Report

A preliminary title report dated within 30 days of the application deadline.

J. Phase I Environmental Assessment

Applicants must provide a copy of the completed Phase I Environment Assessment prepared by a qualified environmental firm.

K. Relocation Plan

Any Applicant proposing to acquire land or rehabilitate existing structures using City funds that may result in the displacement of residential or commercial tenants must fully comply with both federal and state relocation laws. If the Project involves temporary or permanent relocation of residential or commercial tenants, please provide a narrative Relocation Plan and Relocation Budget. Also, provide the name, resume, and contact information of the proposed qualified relocation consultant. The Relocation Plan should include:

- A description of the applicable relocation requirements and relocation benefits to be provided;
- A cost estimate of relocation expenses;
- Identification of the number of households or businesses to be displaced;

- The current rent roll; and
- A description of the proposed advisory services that will be provided to the displaced households/businesses.

L. Community Outreach Plan

Provide a plan for conducting community outreach to neighbors of the proposed Project and community groups. The outreach plan should describe how the Applicant intends to build support for the Project and address community concerns. The outreach plan should also discuss any anticipated community concerns and how they would be handled.

M. Residential Services Plan

If applicable, provide a residential services plan that describes services to be provided to tenants (e.g. child care, computer training, etc.) and demonstrates how supportive services for the target tenant population will be provided and funded. The plan should also show funding commitments for services.

N. Project Schedule

Provide a preliminary Project schedule identifying the estimated date of achieving key milestones including: securing of all financing commitments; acquisition of the site; start of construction; completion of construction; and lease-up and stabilization of residential and commercial operations (if applicable). Project schedule should start within 30 days of date the Applicant's project is selected.