

2021 Notice of Funding Availability (NOFA) For Affordable Housing

Pre-proposal Meeting
June 11, 2021

FUNDING AVAILABLE



Approximately \$45 million

- Affordable Housing Fund
- Low-Mod Income Housing Fund
- Commercial Linkage Fees
- State Local Housing Trust Fund

ELIGIBLE APPLICANTS

Eligible Applicants

- ✓ Non-Profit and For-Profit Housing Corporations
- ✓ Joint Ventures
- ✓ LLCs and Partnerships

Up to two project applications per eligible applicant

ELIGIBLE PROJECTS AND BENEFICIARIES



Eligible Projects

- New construction of rental development
- Substantial rehabilitation of existing market rate development for the purpose of creating new affordable rental housing

Beneficiaries

- Extremely-Low (<30% AMI), Very-Low (<50% AMI); and Low-Income (<80%) households
- Projects with deeper affordability will generally have higher priority ranking

THRESHOLD CRITERIA



MUST HAVE SITE
CONTROL



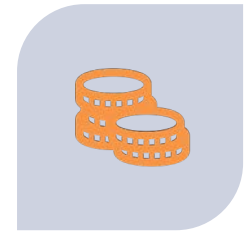
PROJECT MUST
REMAIN
AFFORDABLE FOR
AT LEAST 55 YEARS



DEMONSTRATE
COST
REASONABLENESS



GREEN BUILDING
PRACTICES –
ALL ELECTRIC



LEVERAGE OTHER
FINANCING
SOURCES

Refer to full list of threshold criteria on p. 5 – 6 of the NOFA document

KEY UNDERWRITING GUIDELINES



- **Loan Repayment** – 50% of Net Cash Flow from residual receipts payments
- **Capitalized Operating Reserve** – Minimum three months of operating expenses, reserves, and debt services
- **Vacancy Rate Assumptions** – mirror TCAC: 5% for family and seniors, 10% for permanent supportive housing, other special needs, and SROs
- **Total Operating Expenses**
 - Minimum – generally consistent with TCAC
 - Maximum - may be approved by the City

KEY UNDERWRITING GUIDELINES CONT'D



- Replacement Reserves New Construction (annual)
 - Minimum: \$250/ unit
 - Maximum: \$350/ unit
- Rehabilitation (annual) as Determined by a Physical Needs Assessment
 - Minimum: \$300/ unit
 - Maximum: \$400/ unit
- Operating Reserve Withdrawal and Replenishment – From Developer's share of net cash flow
- Review p. 6-7 of the NOFA for Complete Guidelines

CITY FINANCIAL PARTICIPATION



55-year loan

3% simple-interest payable from residual receipts

Up to \$1,000,000 for predevelopment related activities
- Assignment of the purchase agreement, plans & specs

City loan may not be used for operating subsidies or supportive services

Must start construction within three years from date of loan agreement

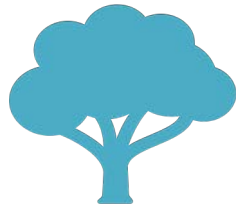
Projects with lower per unit City subsidy will generally have higher priority ranking

OTHER REQUIREMENTS



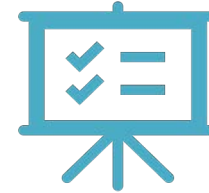
Compliance
Monitoring Fee:
\$5,000 per year,
for 55 years

Discounted to the NPV
using the City's current
investment rate as the
discount rate



Environmental Review
(as applicable)

- CEQA
- NEPA



Insurance
Requirements
(p. 9 of NOFA)



All documents
submitted in response
to the NOFA are
considered public
records and will be
made available to the
public upon request

EVALUATION AND RECOMMENDATION

- ✓ Applicant qualifications, experience and management of projects of similar size and complexity
- ✓ Applicant financial capability and economic feasibility of the project
- ✓ Public benefit and response to City's housing priorities
- ✓ Site appropriateness
- ✓ Sustainability requirements – All-electric building design
- ✓ Completeness, accuracy, and quality of proposal
- ✓ Quality and completeness of proposed budget

SUBMITTAL REQUIREMENTS



Please refer to Section IV of the NOFA
(P. 15 – 18) for detailed information

DUE DATE AND DELIVERY OF PROPOSALS



Due Date:

Wednesday, August 18, 2021
at 2:00 p.m. (PST)

Proposal Delivery Address:

City of Fremont

Development Services Center

Attn: Lucia Hughes

Housing Division

39550 Liberty Street, 1st Floor
Fremont, CA 94538



Note:

Development Services Center Building 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 service should ensure their proposal is delivered prior to the deadline

NOFA SCHEDULE

EVENT	DATE
Last day to submit questions FAQs will be posted on www.fremont.gov/NOFA2021	August 11, 2021
Proposals due	Wednesday, August 18, 2021 at 2 p.m. (PST)
Initial review of proposals completed	September 17, 2021
Applicant interviews (specific date TBD)	Mid/Late September 2021
City Council funding decision	Early November 2021
Loan regulatory agreements negotiation	December 2021
City approve loan and regulatory agreements	January 2022

IMPORTANT CHANGES TO NOFA DOCUMENT

1. City staff will not distribute the FAQs to the attendees of the pre-proposal meeting

- FAQs will be posted on www.Fremont.gov/NOFA2021
- Submit questions to Lucia Hughes at Lhughes@fremont.gov

2. New submittal format requirement:

- **One (1) original** and **one (1) copy** of complete proposal
- All proposal materials must also be submitted on a USB flash drive

THANK YOU!
ANY QUESTIONS?

