



2023 Notice of Funding Availability (NOFA) For Affordable Housing

Pre-proposal Meeting
August 30, 2023

FUNDING AVAILABLE



Approximately \$30 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
- City Live/ Work preference priority
- Projects with deeper affordability will generally have higher priority ranking

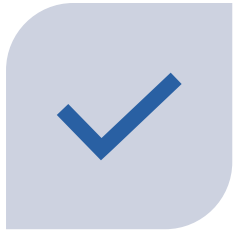
INELIGIBLE PROJECTS



Ineligible Projects

Project sites located on Osgood Road between Washington Boulevard and Blacow Road will not be considered.

THRESHOLD CRITERIA



MUST HAVE SITE
CONTROL



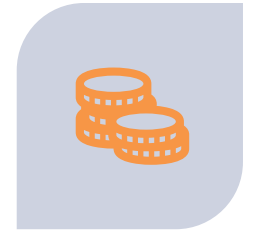
PROJECT MUST
REMAIN
AFFORDABLE FOR
AT LEAST 55 YEARS



DEMONSTRATE
COST
REASONABLENESS



SUSTAINABILITY
PRACTICES –
ALL ELECTRIC



LEVERAGE OTHER
FINANCING
SOURCES

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

KEY UNDERWRITING GUIDELINES



- **Loan Repayment** – 50% to 75% (if shared with other soft lenders) 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



Projects located
on Osgood Road
between
Washington Blvd.
and Blacow Road
will NOT be
considered



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 (p. 11) – projects on Osgood Road between Washington Blvd. and Blacow Road will not be considered.



Sustainability requirements – All-electric building design



Completeness, accuracy, and quality of proposal



Quality and completeness of proposed budget

SUBMITTAL REQUIREMENTS



Please refer to Section III of the NOFA
(P. 13) for detailed information

DUE DATE AND DELIVERY OF PROPOSALS



Due Date:

Tuesday, October 31, 2023
at 2:00 p.m. (PST)



Proposal Delivery Address:

City of Fremont
Development Services Center:
39550 Liberty Street, 1st Floor,
Fremont, CA 94538



Note: Development Services Center Building will be opened to the public only on Tuesdays, Wednesdays and Thursdays from 8:00 a.m. to 3:30 p.m. (one hour closure 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/NOFA2023	October 24, 2023
Proposals due	Tuesday, October 31, 2023 at 2 p.m. (PST)
Initial review of proposals completed	November 17, 2023
Applicant interviews (specific date TBD)	Late November/ Early December 2023
City Council funding decision	Mid January 2024
Loan/ Regulatory agreements negotiation	February 2024
City approves loan/ regulatory agreements	April 2024

FAQS and SUBMITTAL INFORMATION

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

- FAQs will be posted on www.Fremont.gov/NOFA2023
- Submit questions to Lucia Hughes at Lhughes@fremont.gov

2. New submittal format requirement:

- One (1) original
- All proposal material must also be submitted on a **USB drive**

FAQS #1
(Issued
August 28, 2023)



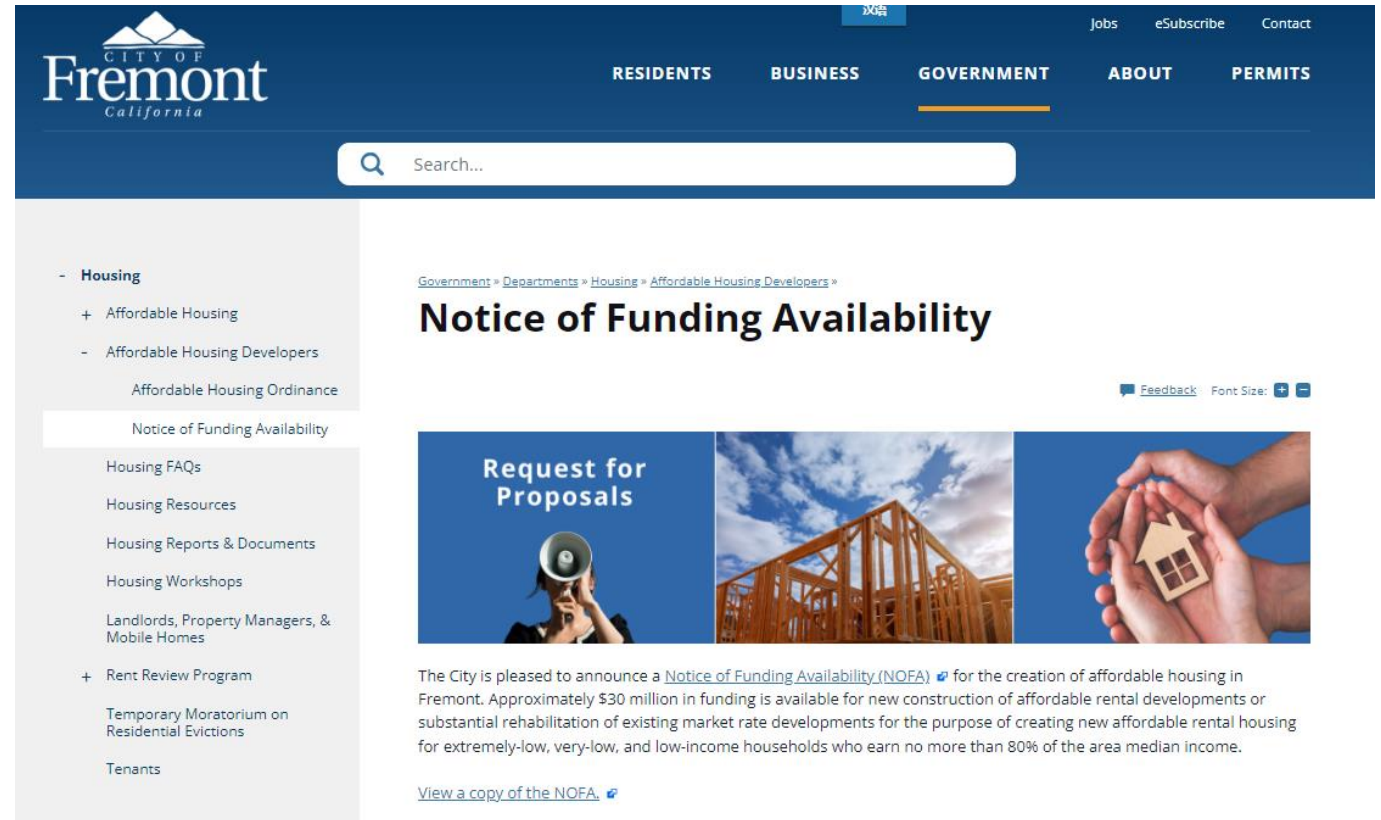
Q1: We found that Phase I needs to be completed no longer than 90 days prior to the application due date. We just completed a Phase I in late June, could you please let us know if a reliance letter would be acceptable in addition to the Phase I report?

A1: The City has changed the recency requirement for the Phase I report from no more than 90 days before the proposal deadline to no more than 180 days before the proposal deadline.

City's NOFA Webpage



<https://city.fremont.gov/nofa2023>



The screenshot shows the City of Fremont website's NOFA 2023 webpage. The header includes the City of Fremont logo and navigation links for Residents, Business, Government, About, and Permits. A search bar is located below the navigation. The main content area features a sidebar with a 'Housing' menu containing links to Affordable Housing, Affordable Housing Developers, Affordable Housing Ordinance, Notice of Funding Availability, Housing FAQs, Housing Resources, Housing Reports & Documents, Housing Workshops, Landlords, Property Managers, & Mobile Homes, Rent Review Program, Temporary Moratorium on Residential Evictions, and Tenants. The main content area displays the 'Notice of Funding Availability' page, which includes a breadcrumb trail, a 'Request for Proposals' banner, and a paragraph of text announcing the NOFA for the creation of affordable housing in Fremont. The text states that approximately \$30 million in funding is available for new construction of affordable 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 who earn no more than 80% of the area median income. A link to view a copy of the NOFA is provided at the bottom.

[Government](#) » [Departments](#) » [Housing](#) » [Affordable Housing Developers](#) »

Notice of Funding Availability

[Feedback](#) Font Size: [+](#) [-](#)

Request for Proposals

The City is pleased to announce a [Notice of Funding Availability \(NOFA\)](#) for the creation of affordable housing in Fremont. Approximately \$30 million in funding is available for new construction of affordable 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 who earn no more than 80% of the area median income.

[View a copy of the NOFA.](#)

THANK YOU!
ANY QUESTIONS?

