



## **NOTICE OF FUNDING AVAILABILITY**

### **Existing Nonprofit Owned Rental Housing Capital Repairs**

**Issue Date: February 17, 2023**  
**Application Due Date: April 28, 2023**

*Issued by the Mayor's Office of Housing and Community Development  
of the City and County of San Francisco (City)*

**Available Funds:** up to **\$20,000,000** for capital improvements and repairs in existing affordable housing units serving low-income households, including homeless households

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## **I. INTRODUCTION**

In order to promote the ongoing viability of permanently affordable housing for residents of San Francisco, including families, homeless households, veterans, and seniors—communities that have traditionally been underserved by affordable housing—the Mayor's Office of Housing and Community Development (MOHCD) announces the availability of funds for emergency repairs or capital improvements in existing affordable housing units serving low-income households, including homeless households. Eligible improvements must be identified in a Capital Needs Assessment (CNA) in the past five years.

The approved FY22-23 City Budget includes \$10 million for renovating existing MOHCD-subsidized affordable housing. MOHCD is adding \$10 million in other sources, including Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development (HUD). This \$20 million total in funding to support building renovations will be the first funding opportunity of its kind in over six years.

MOHCD's portfolio of affordable properties include some of the oldest buildings in the City, stretching back to the 1880s. Indeed, MOHCD has been funding the acquisition of aging buildings since the 1980s. Many of these buildings were substantially rehabbed at the time they were acquired and converted to affordable housing.

Most of the 400+ affordable housing properties that have received funding from MOHCD and its predecessor City agencies are required to provide regular updates to MOHCD on their property capital improvement needs. Approximately one-third have provided recent Capital Needs Assessments (CNAs) to the City for review and monitoring. These reports identify urgent, immediate- and short-term capital replacement and repair needs with a collective cost of nearly \$61 million. The average funding needed to fully cover the hard construction costs of making these repairs is \$538,000 per property. Thirteen (13) properties report a need for more than \$500k in repairs; and sixteen (16) properties report the need for more than \$1 million in major repairs or rehabilitation. Recent surveys by the Department of Homelessness and Supportive Housing (HSH) substantiate similarly significant needs in nonprofit and privately owned buildings providing housing to homeless households.

This Notice of Funding Availability (NOFA) is intended to help qualified applicants address unmet needs for emergency repairs or capital improvements identified in a CNA conducted within the past five years (since January 2018), by providing long-term residual receipts loans to supplement other resources that may be available for this purpose.

Emergency repairs address items that present an immediate threat to the health, safety, and/or quality of life of the tenants. Capital improvements address items that are needed to maintain the habitability, improve its functionality, suitability to target population, or to protect, expand or deepen affordability.

Applicants whose needs are particularly urgent, have the fewest alternate sources of financing, and are ready to move forward with their improvements by the end of 2023 will be prioritized as will those properties that can demonstrate that they will not need further MOHCD capital in the next five (5) years.

MOHCD will select proposals that demonstrate an ability to achieve these outcomes:

- **Preserve** the quality of affordable housing by completing urgent capital repairs related to life safety, accessibility, or structural integrity, for which City funding creates project feasibility
- Complete the scope of work within **three years** from award date
- Incorporate additional MOHCD priorities in the renovation scope of work, such as integrated pest management (**IPM**) and **electrification** of building systems
- Align with the implementation of **City policies** on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations
- Create opportunities for **Emerging Developers**<sup>1</sup> (smaller organizations) in primary development roles, as members of the development team, or as key members of selected development teams
- Select partners that are able to work with MOHCD to deploy city resources, tools and expertise **to rehabilitate developments that are responsive to populations disproportionately impacted by systemic racism.**

Eligible properties are limited to existing nonprofit-owned housing previously funded by MOHCD (including both limited partnerships with a nonprofit managing general partner and direct 501c(3) ownership) that have not been significantly recapitalized (more than \$75,000 per unit) in the last 15 years. MOHCD anticipates making 10-20 awards. Loans will range between a minimum of \$1 million and a maximum of \$4 million, and per unit funding from MOHCD should not exceed \$100,000.

Applicants (including sole applicants or co-General Partners) are limited to two applications each, with an exception for a third application for \$500,000 for small properties (25 units or fewer). MOHCD encourages Applicants to bundle several capital projects together under one application to minimize administrative burdens.

Funds issued under this NOFA will be available in late Fall 2023, per schedule below. MOHCD reserves the right to select any number of projects they determine appropriate, given available resources and in order to fulfill the express goals of the NOFA to preserve the City's investment in its affordable housing portfolio and make significant improvements to quality of life for San Francisco's affordable housing residents.

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<sup>1</sup> Emerging Developer means a nonprofit organization, including a Tribal Entity, that has rehabilitated at least one (1) but not more than three (3) Projects that are equivalent to the Proposed Project in size, scale, amenity, and target population.

Note that with regard to the minimum requirements under this NOFA, the City will determine experience by evaluating the experience of the entity itself, the experience of senior staff within the organization, the applicant's proposed entity (in a joint venture or by contract) that meets the experience requirements.

## II. IMPORTANT DATES AND SUBMISSION PROCESS

### A. IMPORTANT DATES

NOFA Issued	FEBRUARY 17, 2023
Pre-submission conference via Zoom or MS Teams	MARCH 1, 2023
Deadline for questions and requests for additional information	APRIL 7, 2023
Proposal Submissions Due	APRIL 28, 2023
Notification to Project teams who met submission requirements	MAY 19, 2023
Project team interviews, if necessary	EARLY JUNE 2023
Announcement of selection of projects	JUNE 2023
Deadline for Objections	MID-JULY 2023
Loan Committee	ROLLING 2023
Execute Funding Agreements	ROLLING 2023

### B. PRE-SUBMISSION MEETING

MOHCD will hold a pre-submission conference via Microsoft Teams on **March 1, at 2:00 p.m.** The purpose of the meeting is to ensure that interested applicants understand the minimum qualifications requirements and the selection process.

## Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 293 336 121 491

Passcode: fG2d7M

[Download Teams](#) | [Join on the web](#)

Questions raised at the conference may be answered verbally at that time. If any substantive new information is provided in response to questions raised at the pre-submission conference, MOHCD will issue a written addendum to the NOFA (in the form of a Question and Answers document) with this information to all parties that have registered for the NOFA. No questions or requests for interpretation will be accepted after April 7, 2023. Attendance at the pre-submission conference is highly recommended but not mandatory.

### C. REGISTRATION FOR NOFA REQUIRED

To receive MOHCD's responses to requests for additional information and to questions about this NOFA, and to submit a proposal, all interested parties must submit a completed NOFA Registration Form (<https://forms.office.com/g/dyenqpGUAc>) by April 7, 2022. All addenda, responses, and instructions for electronic submission will be distributed to all registered parties. MOHCD reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information. Questions and information requests should be submitted to the contact person identified in Section IIE below.

### D. QUESTIONS AND REQUESTS FOR INFORMATION

All questions and requests for additional information regarding this NOFA must be submitted by e-mail to [mohcdHFOpps@sfgov.org](mailto:mohcdHFOpps@sfgov.org). Questions received after the April 7 deadline may not be answered. All addenda, responses, and additional information will be distributed to all parties who have registered in accordance with Section IIC.

### E. CONTACT PERSON, SUBMISSION DEADLINE AND PLACE

All communications about this NOFA should be directed to Mara Blitzer, Director of Special Projects at MOHCD, at [mohcdHFOpps@sfgov.org](mailto:mohcdHFOpps@sfgov.org).

Respondents to this NOFA must submit one (1) electronic copy of each of their proposals to MOHCD no later than 4:00 PM, April 28, 2023. **Proposals are to be delivered by email at [mohcdHFOpps@sfgov.org](mailto:mohcdHFOpps@sfgov.org) by providing a DropBox link. Respondents who submit registration forms will be advised of any information necessary for the electronic submittal process.**

### F. FINAL REVIEW AND COMMITMENT OF FUNDS

Selected applications will be scheduled for review and funding commitment by the Citywide Affordable Housing Loan Committee. All commitments recommended by the Loan Committee are subject to final approval by the Mayor. Commitments may be conditional; actual closings and disbursements of funds may be contingent on applicants' achievement of certain development benchmarks or performance goals.

The City reserves the right to commit funds to a successful applicant in an amount that differs from the originally requested amount. The City also reserves the right to award an aggregate amount that exceeds the amount identified as available under this NOFA if necessary to fully fund a selected project.

### **III. PROJECT EXPECTATIONS**

#### **A. THRESHOLD ELIGIBILITY REQUIREMENTS**

1. The affordable housing property seeking funds must have the following characteristics.
  - a) It must be located in the City and County of San Francisco.
  - b) It must be owned and operated by a 501(c)(3) nonprofit public benefit corporation or a limited partnership or limited liability company whose managing general partner is a 501(c)(3) nonprofit public benefit corporation that is in compliance with the California Attorney General's Charitable Trust Registry.
  - c) It must have been previously funded by MOHCD, the Office of Community Investment and Infrastructure (OCII), or the San Francisco Redevelopment Agency (RDA), and not in default under MOHCD's agreements, including but not limited to loan agreements and/or regulatory agreements.
  - d) It must not have undergone a major recapitalization (greater than \$75,000 per unit) in the previous 15 years.
2. The work to be performed must:
  - a) Address conditions that threaten the health and/or safety of a building's occupants, such as mold, water intrusion, lead and pest remediation, damaged or inadequate fire/life-safety systems or ADA-compliance.
  - b) Replace building components or systems that contribute to a building's inefficient use of energy or whose condition requires unreasonable and excessive maintenance and repair expenditures.
3. The need for urgent, immediate or short-term improvements must be documented.
  - a) It must be identified in a CNA as an immediate or short-term need for capital investment. Short-term improvements are defined as improvements that must be completed within 12 to 24 months.
  - b) In addition to a CNA, respondents may provide evidence of need in the form of notices of violation, failed inspection reports, and/or third party technical reports on major systems, such as roofing, elevators or HVAC.

#### **B. ALIGNMENT WITH CITY RACIAL EQUITY GOALS**

The City is required to affirmatively further fair housing as established by the State of California and the US Department of Housing and Urban Development.

Pursuant to San Francisco Administrative Code Chapter 47, MOHCD has adopted explicit policies in its Certificate of Preference (COP), and Displaced Tenant programs, which provide historically displaced and vulnerable populations who reside within the community preference in obtaining access to quality affordable housing. In an effort to redress past and present inequities, the selection process for this NOFA will favor applicants who have direct experience working with COP holders, or populations who share characteristics with the COP population.

Proposals should address the following racial and social equity goals:

- Maximize the number of priority placements (COP holders, etc.)
- Maximize (meet or exceed) the City's requirements for promotion of SBE/LBE organizations with contracts and local hiring with construction labor
- Create opportunities for growth of Emerging Developers (smaller organizations) in development role or member of development team.
- Provide initial draft marketing plans within 6 months of anticipated completion of scope of work/re-rental of vacant units, if applicable, outlining the affirmative steps applicants will take to market each housing property to the City's preference program participants including Certificate of Preference (COP) Holders and Displaced Tenants, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans. (Note: not applicable for units that take referrals from Coordinated Entry or the San Francisco Housing Authority.)
- Submit responses to requests for demographic data regarding the Boards of Directors of the applicant organization and of the staff of the Respondents that are selected. This data will not be evaluated or scored.

Note: upon entry into loan agreement with MOHCD, applicants must agree to use DAHLIA and current marketing requirements. Please see Section E below.

### **C. ALIGNMENT WITH MOHCD DEPARTMENT GOALS**

1. Applicants should align their proposals with MOHCD's Theories of Change in the 2020-2024 Consolidated Plan at [this link](#). MOHCD is addressing the City's priority needs through five interconnected, multidisciplinary objectives that cross program areas and leverage strategies both internally and across multiple city departments. These five objectives are:
  - Objective 1: Families and individuals are stably housed
  - Objective 2: Families and individuals are resilient and economically self-sufficient
  - Objective 3: Communities have healthy physical, social, and business infrastructure
  - Objective 4: Communities at risk of displacement are stabilized
  - Objective 5: The City works to eliminate the causes of racial disparities

MOHCD has also identified five target populations based on the findings from the Consolidated Plan community engagement process. These are:

- Households experiencing a legacy of exclusion
- Households destabilized by system trauma
- Households with barriers to access to opportunities
- Extremely and very low-income households
- Households at risk of displacement.

### **D. ELIGIBLE USES OF FUNDS**

Funds awarded through this NOFA may be used to pay the following residential construction costs.

- Construction contract payments for capital repair/rehabilitation work. Note that CNA estimates of construction costs are not sufficient documentation of funding need. Bids from relevant contractors or estimates from third party technical experts are recommended at time of NOFA response and required prior to Loan Committee approval. Estimates must assume use of applicable prevailing wage standards.
- Architectural and engineering expenses.
- Temporary tenant relocation expenses if necessary.
- Construction period insurance, permit fees and other costs associated with the rehabilitation work.
- Other necessary soft costs associated with the rehabilitation work.
- Legal and transactional costs associated with closing MOHCD funding.
- Applicant's project management and construction management expenses limited to no more than 15% of construction or repair hard costs.
- Capitalized replacement reserves if necessary to ensure the adequacy of such reserves to meet anticipated capital improvement needs.
- Completion of an updated CNA that anticipates future capital improvement needs for at least 15 years, and associated reserve analysis.
- Commercial construction costs only eligible to the extent that repairs are required to maintain habitability of the entire building. Commercial tenant improvements are not eligible for funding under this NOFA.

## **E. SUMMARY OF FUNDING TERMS**

Funds are anticipated to be provided as loans. Loans will be interest bearing where financially feasible and may be deferred or require repayment depending on the circumstances.

Current MOHCD standard loan terms include the following terms that will be incorporated into funding agreements that result from this NOFA.

- Income Limits

MOHCD seeks to work with applicants to insure and deepen long-term affordability at each housing property. Upon completion of the rehabilitation work pursuant to this NOFA, all units shall be reoccupied at turnover by or held vacant for households earning no more than 60% Area Median Income (AMI) for San Francisco, adjusted for family size but not high cost area (often referred to as "unadjusted"), as published by MOHCD, and maximum rents may not exceed 30% of 60% AMI for San Francisco, as established by MOHCD and available on the MOHCD website. MOHCD will consider an exception to this requirement for units that are currently restricted at 80% AMI. Units occupied by households whose incomes exceed 80% of AMI at the time funds are awarded under this NOFA may continue to be occupied by those households. However, upon vacancy of these units, they must be occupied by households earning no more than 60% AMI as published by MOHCD.

- Affordability Term

Furthermore, upon completion of any rehabilitation pursuant to this NOFA, affordability

restrictions associated with prior City financing notwithstanding, the minimum term of affordability required for all units in the building will be for the life of the project, but no less than 75 years from the date of recordation of the new deed of trust.

Updated affordability requirements will be codified in a revised City Declaration of Restrictions that will be recorded on title.

- Capital Needs Assessment  
Sites must prepare and an updated Capital Needs Assessment (CNA) every five (5) years for MOHCD approval, in accordance with the CNA policy as it is amended from time to time.
- Replacement Reserve Account  
Sites must make annual deposits into a Replacement Reserve Account, in accordance with the 20-year replacement reserve analysis contained within the most recently approved CNA.
- Marketing  
Before advertising the availability of units for lease in a housing property or the opening of the waiting list, NOFA fund recipients will complete a marketing plan for MOHCD approval. Once the marketing plan is approved, MOHCD will post information about the available units or opening of the wait list on DAHLIA—the City's online application portal for affordable housing. Housing preferences may apply.
- Annual Monitoring  
Sites will be monitored from time to time to assure compliance with loan terms. NOFA fund recipients will file an Annual Monitoring Report that includes but is not limited to: tenant occupancy information, audited financial statements, tenant demographics, eviction information.
- Other MOHCD Policies  
Sites that may not be subject, under existing loan agreements, to current MOHCD policies, such as the Operating Fees Policy, Residual Receipts Policy, and Hold Harmless Policy, will be subject to current policies.

## **F. AWARD LIMITATIONS**

Requests for funding are limited to \$4 million per application, with a minimum request of \$1 million (see exception below) and not to exceed \$100,000 per unit.

Applicants are limited to two applications each, with an exception for a third application for minimum of \$250,000 and maximum of \$500,000 for small properties (less than 25 units).

To the extent practical, MOHCD encourages applicants to bundle several rehabilitation projects together under one application to minimize administrative burdens. Bundled applications must be owned by the same nonprofit or general partner entity and are expected to share one operating reserve and one replacement reserve upon entry into the new loan agreement.

#### **IV. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, MINIMUM APPLICATION REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW**

##### **A. SELECTION PROCESS**

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section D, Submittal Requirements Section below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel appointed by the Director of MOHCD will include persons with expertise in such areas as development, affordable housing finance, affordable housing construction management, community development, commercial space development, property and asset management, housing access/marketing, and/or housing and services for homeless households.

The Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Proposals(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into loan agreements with milestones established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant should it be determined that the team lacks representation necessary to achieve the NOFA's goals.

##### **B. MINIMUM PROPOSAL REQUIREMENTS.**

1. Proposals must demonstrate financial feasibility and include a Financing Plan, including a detailed Sources and Uses Budget, that utilizes the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, available on the MOHCD website (see <https://sfmohcd.org/housing-development-forms-documents>).
2. Proposals must demonstrate—through provision of specific examples of inputs used for estimating, including prevailing wages—that the project's total budget, as well as its specific line items, is comparable to recent and similar projects, to industry standards, and is compliant with funding source regulations, MOHCD policy, and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per

bed or bedroom will be examined relative to total cost, City subsidy, and construction cost.

3. Proposals must provide a construction cost estimate that reflects current construction costs, including prevailing wages, and show escalation assumptions as a separate line item.
4. Proposals must include an operating budget that includes all expenses necessary to properly operate and maintain the building.
5. Proposals that include any tenant displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.
6. Proposals must include a community engagement plan that demonstrates the capacity to generate necessary resident and neighborhood support for the proposed scope of work. Include any evidence of support expressed to date for the project, as well as plans for community engagement with residents and neighbors going forward.
7. As applicable, Proposals must include a description of how any commercial vacancies will be addressed.
8. Proposals must include demographic data regarding the Boards of Directors of member organizations of the applicants' teams and staff.

### **C. SELECTION CRITERIA AND SCORING**

All applications that meet the above Threshold Eligibility Requirements (see Section III.A) and Minimum Proposal Requirements will be scored and ranked according to the following selection criteria.

	Category	Points
<b>A.</b>	<b>ALIGNMENT WITH CITY GOALS</b>	<b>10</b>
i.	Demonstrates experience working with or placing COP holders or populations who share characteristics with COP populations. Demonstrates how Applicant has previously promoted and plans to promote under the proposed scope of work, SBE/LBE organizations with contracts and local hiring.	5

ii.	Describes how development aligns with MOHCD's 2020-2024 Consolidated Plan by addressing one (1) or more of the identified objectives. Describes how the site serves one (1) or more of the identified five (5) target populations.	5
<b>B. URGENCY</b>		<b>25</b>
i.	Demonstrates need for urgent repairs through CNA, Notice of Violation (NOVs), Field Inspection report, and/or Third Party technical report. (Max points for scope that includes NOVs). Documentation of work orders for repairs and/or requests for ADA accommodations are encouraged.	15
ii.	Extent to which applicant has capacity to enter into a loan agreement with MOHCD by end of 2023. Extent to which applicant can complete full scope of work within 3 years (by Spring 2026).	10
<b>C. NEED</b>		<b>35</b>
i.	Extent to which average occupant income is less than 40% AMI. (Sliding scale of points, more points for lowest AMI)	10
ii.	Extent to which Replacement Reserves (available as of 12/31/2022) are less than \$5k/unit and insufficient to meet immediate and short-term capital improvement needs as recommended in a CNA. (Sliding scale, most points for least reserves)	5
iii.	Number of years since major recapitalization. (Sliding scale, most points for most time elapsed.)	5
iv.	Property applied for funding under the 2016 ENP NOFA and was not funded, nor has secured other funding or addressed the need identified in the 2016 NOFA response.	5
v.	Demonstrates need to meet City code/requirements for seismic safety, fire safety, and ADA compliance, for example.	5

vi.	<p>Property is not competitive for any of these funding sources:  LIHTC 9% (competitive pools)  LIHTC 4%/Tax Exempt Bonds  MOHCD Cash Out Waiver</p> <p>For tax credits, provide self-score and/or narrative regarding analysis of competitiveness.</p>	5
<b>D. COST AND BUDGET</b>		<b>25</b>
	Appropriateness of Scope relative to documented needs (most points for connection made between proposed scope and materials submitted to receive Urgency points under B. above, which includes a CNA)	5
	Scope meets funding minimum of \$1M and maximum of \$4M, or \$100k/unit, whichever is lower. Projects with 25 or fewer units meet funding minimum of \$250K and maximum of \$500k.	5
	Number of years of project financial feasibility/independence gained from the proposed improvement, including capitalization of replacement reserve (.5 points for each year beyond 5 years, up to 5 points max) Demonstrates that property will not need additional MOHCD capital for at least five (5) years.	5
	Extent to which proposal accounts for necessary communication with residents and neighbors related to the scope of work, and any temporary relocation required, including appropriate budget and communications plan.	5
	Extent to which proposal includes admin costs that will cover staff/consultant(s) fees to insure project completion.	5

<b>E. OPERATIONS</b>		<b>20</b>
	Extent to which applicant has history of compliance with terms of previous financing agreements (subtract .5 point for every site that is out of compliance for income, rent or rent increase compliance issues, or for which an AMR has not been submitted on time in the past 12 months.)	10
	Extent to which rents are currently maximized for tenants who are not rent-burdened (most points for maximized rents.)	5
	Extent to which proposed scope demonstrates cultural competency and includes project partners that will deploy city resources that are responsive to populations disproportionately impacted by systemic racism.	5
<b>F. BONUS POINTS</b>		<b>5</b>
	Emerging Developers are included in the applicant team.	1
	Integrated Pest Management – site study was completed prior to application submission and recommendations from the IPM report must be adopted into the final scope of work.	2
	Electrification – Scope of work achieves full electrification and incorporates climate resilience measures, documents vulnerability to climate change, such as overheating in the building, exposure to unfiltered outdoor air, and vulnerable resident populations, resident benefits, in the form of projected reduction in energy bills or quality of life improvements, such as air conditioning or outdoor air filtration, and demonstrated leverage with rebate programs.	2
<b>TOTAL POSSIBLE POINTS</b>		<b>120</b>

Proposals must score at least 70 points in order to proceed through the selection process.

#### **D. SUBMITTAL REQUIREMENTS OVERVIEW**

Applicants to this NOFA must submit one (1) electronic copy of each of their proposals to MOHCD no later than 4:00 PM, April 7, 2023. **Proposals are to be delivered by email at [mohcdHFOpps@sfgov.org](mailto:mohcdHFOpps@sfgov.org) by providing a DropBox link.**

The application package will include:

- Narrative description of the proposed scope of work, in the applicant's own form; 5 pages maximum
- Required Attachments (these do not count towards the 5 pages maximum):
  1. Form B - Submittal Checklist: Check all items that are included in the submission package.
  2. Form D - Applicant Description, and supporting documents (see below for complete list)
  3. Form G - Projected staffing workload form
  4. Form H - Disclosures Form
  5. Form I – CDLAC Self Score Worksheet
  6. Evidence of Authority (corporate resolution)
  7. MOHCD Proforma Application
  8. Project Schedule (applicant's own form)
  9. Capital Needs Assessment
- Additional attachments, which should include any of the following that are relevant to the proposed scope and describe the extent to which the proposal aligns with the selection and scoring criteria.
  1. Copy of Loan Agreement with MOHCD
  2. Work order log, Notices of Violation, etc, to document need for repairs
  3. Bank Statement as of 12/31/22 showing Capital Reserve Account Balance
  4. IPM site study, if applicable

Description of MOHCD Forms provided:

**Form B – Submittal Checklist:** Check boxes of all items that will be submitted.

**Form D - Applicant Description:** Document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Applicant and Co-Applicant (if applicable)
- Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Applicant and/or Co-Applicant, submit a current copy of the following documents:

- a. **Certificate of Good Standing** from the California Secretary of State
- b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.
- c. Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
- d. Proposed Owner's **organizational chart**.
- e. Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
- f. Proposed Owner's recent Real Estate Owned (REO) schedule, documenting the number of projects and average number of units/project currently in Owner's asset management portfolio.
- g. Proposed Owner's current asset management staffing, noting job titles, FTEs, and status of each position (filled/vacant).

**Form G – Projected Staffing Workload Form:** Document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer

**Form H – Disclosures Form:** Submit a completed and signed copy of **Form H – Disclosures**, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the applicant.

**Form I – CDLAC Self Score Worksheet:** Fill out this form for each site to document ineligibility for CDLAC funding.

**MOHCD Proforma Application:** Request latest version from MOHCD.

**Evidence of Authority:** Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.

**Note Regarding Submittals:** Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

## **V. TERMS AND CONDITIONS OF NOFA**

### **A. APPLICANT RESPONSIBILITIES**

The selected applicant will be responsible for all aspects of rehabilitation of the property, including but not limited to the following:

- If the proposed Project/Development has any vacancies, marketing the development to intended target audiences consistent with the goals of this NOFA, most notably outreach to Black communities historically excluded from quality housing or displaced from their neighborhoods.
- Conducting all appropriate due diligence, investigating and determining conditions of the site and the suitability of the site for the proposed scope of work.
- Securing all required permits and approvals, including but not limited to any necessary permits or approvals from the City's Planning Department and Department of Building Inspection, and from Federal and State agencies associated with environmental and historic preservation reviews (including Certificates of Appropriateness) as applicable.
- Obtaining adequate financing for all aspects of the proposed scope of work.
- Designing and rehabilitating the property in a manner that produces a high- quality, enduring living environment.
- Owning, managing, and operating the property in a manner that ensures its long-term financial viability and the ongoing satisfaction of residents.
- Complying with the requirements of any financing for the Development, including but not limited to:
  - a. Equal Employment Opportunities – The Selected applicant will be required to comply with local and federal procurement requirements, including the provision of equal employment opportunities for disadvantaged business consultants, architects, contractors, and other potential members of the project team. To ensure that equal opportunity plans are consistent with City and Federal procurement requirements, applicants should meet with MOHCD and San Francisco Contract Monitoring Division (CMD) staff prior to hiring their team to develop a plan for such compliance. Although the City's Contract Monitoring Division (CMD) does not require prior approval or monitoring of procedures for selecting the architect for purposes of responding to this NOFA, the architect's Small Business Enterprise (SBE) status will be counted toward the overall procurement goals which will be set at a later date.
  - b. Environmental Review - Depending on conditions at the property, the proposed rehabilitation may be subject to review under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA) and specifically the Section 106 historical resources preservation review. Department of City Planning design review may also be required.
  - c. Accessibility Requirements - Development sponsors will be responsible for meeting all applicable accessibility standards related to publicly funded multifamily housing under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the City and County of San Francisco.
  - d. Prevailing Wages – This rehabilitation will be subject to applicable local, state or federal requirements with regard to labor standards. Applicants should take prevailing wage requirements and labor standards into account when seeking estimates for contracted

work, especially the cost of construction, and other work to which the requirements apply, and when preparing budgets.

- e. Employment and Training – The Selected Applicant will be required to work with the CityBuild initiative of the Office of Economic and Workforce Development to comply with local and federal requirements regarding the provision of employment opportunities for local and low-income residents and small businesses during both the development and operation of the Development, including complying with the City’s First Source Hiring requirements.
- f. Sustainable Design – The Mayor’s Office of Housing and Community Development seeks to maximize the overall sustainability of financed projects. The selected development team will be required to pursue any funding that may become available to help pay for the cost of planning and implementing green building components.
- g. Minimum Insurance Requirements – see Appendix A – Minimum Insurance Requirements.

## **B. ERRORS AND OMISSIONS IN NOFA**

Applicants are responsible for reviewing all portions of this NOFA. Applicants are to promptly notify MOHCD, in writing, if the respondent discovers any ambiguity, discrepancy, omission, or other error in the NOFA. Any such notification should be directed to MOHCD promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

## **C. ADDENDA TO NOFA**

MOHCD may modify the NOFA, prior to the application due date, by issuing written addenda. Addenda will be sent via email to the last known address of each person or organization listed with MOHCD as having received a copy of the NOFA for proposal purposes. MOHCD will make reasonable efforts to notify Applicants in a timely manner of modifications to the NOFA. Notwithstanding this provision, the applicant shall be responsible for ensuring that its proposal reflects any and all addenda issued by MOHCD prior to the proposal due date regardless of when the proposal is submitted.

## **D. OBJECTIONS**

- 1. NOFA Terms. If any interested party objects to any provision or legal requirement in this NOFA, such party must provide written notice to MOHCD at [mohcdMFOpps@sfgov.org](mailto:mohcdMFOpps@sfgov.org) setting forth with specificity the grounds for the objection no later than seven (7) calendar days of the date for submitting qualifications (See Section III(A)). Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection to this NOFA.
- 2. Notice of Non-Responsiveness. An applicant may object to a determination that its submission of qualifications is non-responsive to this NOFA by delivering written notice to MOHCD setting forth with specificity the grounds for the objection no later than seven (7) calendar days after the date of the written notice to Respondent of MOHCD’s

determination of non-responsiveness. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

3. Selection of Applications for Exclusive Negotiations. An applicant may object to a selected proposal and MOHCD Director's authorization to proceed with exclusive negotiations with such applicant by delivering written notice to MOHCD setting forth with specificity the grounds for the objection by no later than seven (7) calendar days after the selected applicant has been announced and made public by MOHCD. If a Respondent files a timely objection, the MOHCD Director will review such objection and respond in a timely manner, and MOHCD's authorization to enter into exclusive negotiations with the selected applicant will not be binding until the MOHCD Director denies the objection. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.
4. Delivery of Objections. Applicants must submit objections in writing, addressed to the person identified in this NOFA, and delivered to the MOHCD via email at [mohcdMFOpps@sfgov.org](mailto:mohcdMFOpps@sfgov.org) by the dates specified above in order to be considered. Written objections must be transmitted by email and that will provide written confirmation of the date MOHCD received the objections. If a written objection is delivered by US mail, the Respondent bears the risk of non-delivery by the deadlines specified above.

## **E. CLAIMS AGAINST MOHCD**

No applicant will obtain by its response to this NOFA, and separately by its response waives, any claim against MOHCD by reason of any or all of the following: any aspect of this NOFA, any part of the selection process, any informalities or defects in the selection process, the rejection of any or all proposals, the acceptance of any proposal, entering into exclusive negotiations, conditioning exclusive negotiations, terminating exclusive negotiations, approval or disapproval of plans or drawings, entering into any transaction documents, the failure to enter into a lease or lease disposition and development agreement, any statements, representations, acts, or omissions of MOHCD, the exercise of any discretion set forth in or concerning any of the above, and any other matters arising out of all or any of the above.

## **F. SUNSHINE ORDINANCE**

In accordance with San Francisco Administrative Code Section 67.24(e), contractors' bids, responses to NOFAs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

## **G. RESERVATIONS OF RIGHTS BY THE CITY**

1. The issuance of this NOFA and the selection of proposals for funding pursuant to this NOFA are in no way a limitation of the discretion of any City board, commission, department, employee or official with respect to any review or approval required in connection with the proposed development. The City's selection of proposals is in no way deemed to be the final approval of any proposal proposed by an applicant.
2. The information in this NOFA is provided solely for the convenience of applicants.
3. The City expressly reserves the right at any time to do waive or correct any defect or technical error in any response or procedure, as part of the NOFA or any subsequent negotiation process; reject any or all responses, without indicating the reasons for such rejection; cancel this NOFA at any time prior to award and reissue NOFA for the full or partial funding amount; modify or suspend any and all aspects of the selection procedure, the scope of the proposed development or the required responses, or the processes indicated in this NOFA; request that applicants clarify, supplement or modify the information submitted; extend deadlines for accepting responses, or request amendments to responses after expiration of deadlines; negotiate with any, all or none of the applicants to this NOFA; make selections based directly on the proposals, or negotiate further with one or more of the applicants; during negotiation, expand or contract the scope of the proposed development, or otherwise alter the development concept in order to respond to new information, community or environmental issues; if at any time prior to the execution of binding agreements with the selected Applicant, MOHCD, in its sole discretion, determines that the selected applicant will be unable to proceed with a timely and feasible Development in accordance with this NOFA or will not serve in the City's best interest, MOHCD may terminate negotiations with any selected applicant and begin negotiations with the next highest ranked applicant; MOHCD may require substitution of members of the applicant team; or determine that no scope of work will be pursued.
3. The issuance of this NOFA does not obligate the City to pay any costs incurred by any applicant, including but not limited to costs incurred in connection with the preparation or presentation of responses or negotiations with the City. Applicants responding to this NOFA do so at their own expense.
4. The issuance of this NOFA is only an invitation to submit qualifications and does not constitute an agreement by the City that a loan agreement will actually be entered into by the City. This NOFA does not in any way limit the discretion of any City board, commission, employee or official with respect to any review or approval of any aspect of a proposal.
5. The City reserves the right to disqualify any applicants to this NOFA based on any real or apparent conflict of interest that is disclosed by the responses submitted or on the basis of other information available to the City. The City may exercise this right in its sole discretion.

**VI. LIST OF ATTACHMENTS/FORMS**

**Attachment A: Minimum Insurance Requirements**

**Form B: NOFA Submittal Checklist**

**Form C: NOFA Registration Form**

**Form D: Applicant Description Form**

**Form G: Projected Staffing Workload Form**

**Form H: Disclosures Form**

**Form I: CDLAC Self Score Worksheet**

**MOHCD Proforma Application**