Mayor's Office of Housing and Community Development
City and County of San Francisco

London Breed
Mayor

Daniel Adams
Acting Director

NOTICE OF FUNDING AVAILABILITY

Acquisition and Predevelopment Financing for AFFORDABLE MULTIFAMILY RENTAL HOUSING, Supported by the 2019 General Obligation Housing Bond – Proposition A

Issue Date: December 27, 2019
Application Due Date: January 30, 2020

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

Available Funds: up to **$30,000,000**, including:

- $15,000,000 for projects located in Districts 1, 2, 4, 7, and 8 and intending to serve low-income seniors; and
- $15,000,000 for projects located in Districts 1, 2, 4, 7, and 8 intending to serve low and moderate-income families

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A. Introduction.

In order to promote the development of permanent affordable housing for low-income seniors and low and moderate income families, including homeless households, in districts that are experiencing significant displacement pressures but which have traditionally been underserved by new affordable housing production, the Mayor's Office of Housing and Community Development (MOHCD) announces the availability of acquisition and predevelopment funding for the development of new, permanent affordable housing in Districts 1, 2, 4, 7 and 8. Funding for these activities comes from the 2019 Proposition A General Obligation Bond.

San Francisco voters approved Proposition A in 2019 in order to address the City's well-documented and severe housing affordability crisis. The specific goals of Proposition A are to:

- Create new affordable homes, especially for our growing senior populations;
- Accelerate the rebuilding of distressed public housing sites for some of the City's most vulnerable residents;
- Preserve affordability in existing housing at risk of market-rate conversion or loss due to physical disrepair;
- Protect San Franciscans living in apartments at risk of displacement, including those covered by rent-control
- Expand rental and homeownership opportunities for the City's middle-income residents and workforce, including educators, first responders, non-profit workers, and service industry employees
- Set a goal for $200M of the Bond's funds to serve extremely low-income households (30% AMI or less)

In addition, Proposition A places an importance on "geographic equity" in its investments in affordable housing, recognizing that certain districts are experiencing a loss of affordability through vacancy de-control of rent stabilized housing stock, Ellis Act evictions, Owner Move-ins, and other forms of displacement, or have not benefited significantly from new affordable housing production.

This NOFA specifically addresses Proposition A's mandate to create new affordable, low-income units and to serve vulnerable populations in those districts that have been "underserved" by new affordable housing production.

MOHCD will select proposals that show a clear ability to meet the below goals. Winning projects will:

1. Efficiently and quickly produce high-quality and community-serving affordable housing through demonstrated **Project Readiness**.
2. Maximize the benefit of the City's subsidy dollars through demonstrated **Cost-Effectiveness**, whether via low-to-no land costs, use of efficient construction techniques and/or materials, or other cost-saving measures.
3. **Serve "Underserved" Districts** with a demonstrated need for affordable housing, namely Districts 1, 2, 4, 7, and 8.
4. **Serve Homeless Households** and other vulnerable populations, including, for example, seniors, transition-aged youth, or veterans.
5. **Provide Extended Community Benefits** through creative use of ground floor or ancillary spaces for community-serving activities, such as childcare, arts uses, nonprofit offices, or vocational training and development or community-serving retail.
6. Enhance the neighborhoods in which they are located through **Excellent Design**.

Acquisition funds issued under this NOFA will be available in the fall of 2020. While MOHCD intends to select two (2) sites for development, MOHCD reserves the right to select any number of projects it determines appropriate given available Proposition A resources for senior and low-income housing development and in order to fulfill the express goals of the NOFA.

B. Important Dates & Submission Process.

NOFA Issued by MOHCD	December 27, 2019
Pre-submission Meeting at MOHCD	January 9, 2020 at 12:30 pm
Deadline for Questions and Requests for Additional Information	January 16, 2020 at 4 pm
Proposal Submissions DUE	January 30, 2020 at 4 pm
Preliminary Review for Threshold Eligibility by Selection Panel and Notice to Respondents	February 13, 2020
Project Team Interviews (as necessary)	Weeks of February 17 and February 24, 2020
Director of MOHCD Review/Approval of Recommended Projects	Week of March 9, 2020

1. **Pre-Submission Meeting**

A pre-submission meeting will be held at MOHCD (1 South Van Ness Avenue, 5th floor), on January 9, 2020 at 12:30 pm. The purpose of the meeting is to ensure that all teams understand the programmatic and submittal requirements of the NOFA. Although attendance at the pre-submission meeting is not mandatory, it is highly recommended.

2. **Questions and Requests for Information**

Questions raised at the pre-submission meeting may be answered orally. If any substantive new

information is provided in response to questions raised at this meeting, it will also be posted on the MOHCD website and will be emailed to all parties that have attended the pre-submission meeting or otherwise requested that they be included on the NOFA emailing list. Subsequent to this meeting, questions or requests for interpretation will only be accepted by email and all questions and responses will be answered by email and posted on the MOHCD website. No questions or requests for interpretation will be accepted after **4:00 p.m. on January 16, 2020.** Emailed questions and information requests should be submitted to Jonathan Gagen at: jonathan.gagen@sfgov.org.

3. Submittal Date and Method.

Submittal of **7** hard copies of the Proposal must be received by the MOHCD receptionist and an emailed copy sent to jonathan.gagen@sfgov.org no later than **4:00 p.m. on January 30, 2020.**

4. 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.

C.a. Minimum Development Team Characteristics.

Only applicants who meet all of the following criteria will be considered eligible for selection and funding under this NOFA.

The proposed Development Team must include:

- At least one San Francisco-based non-profit development entity whose mission includes the development of affordable housing in low-income communities with experience developing housing for low-income families with experience developing housing and/or assisted living for low-income seniors and frail elderly, acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization;
- A property owner entity with experience owning housing for low-income communities, including senior residents, and formerly homeless households;
- A property management entity with experience managing housing for low-income communities, including senior residents, and formerly homeless households;
- At least one services-providing entity with experience providing services appropriate for formerly homeless residents or services for seniors.

Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.

C.b. Minimum Development Team Experience.

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form 5 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.**

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics:

- new construction (not a requirement for Minimum Service Provision Experience) in a a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience)
- at least 75 units in size
- majority multiple-bedrooms (larger than studios – this is applicable only for proposed family developments)
- mixed-use including residential (not a requirement for Minimum Service Provision Experience)
- affordable to low- and very low-income households[1]
- includes formerly homeless residents and/or senior residents
- financed by use of Low-Income Housing Tax Credits.

1. **Minimum Development Experience:** The proposed Developer must have completed within the past ten years at least **one** Qualifying Project located in San Francisco. The definition of "completed" of a Qualifying Project means having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA.

2. For joint venture Developer teams, the experience of the lead entity may suffice for the joint-venture partnership. A signed Memorandum of Understanding or Term Sheet between joint-venture Development partners that outlines roles and responsibilities, proposed ownership structure, etc. must be submitted with the application. Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Finally, the requirement to have served formerly homeless residents and/or senior residents may be satisfied in a

[1] [1] "Low Income" is defined as 60% MOHCD AMI and below. "Very Low Income" is defined as 30% MOHCD AMI and below.

non- Type V over I or Type III over I building. In such a case, the proposed Developer must provide evidence of having completed a Type V over I or Type III over I affordable housing building, and separately, an affordable housing building that serves formerly homeless residents and/or senior residents.

3. **Minimum Ownership Experience:** The proposed Owner must have owned at least **one** Qualifying Project for at least four years prior to the Submittal Deadline of this NOFA. For purposes of this requirement, the member of the general partner of the tax credit partnership that will own the completed project is the proposed "Owner."

4. **Minimum Property Management Experience:** The proposed Property Manager must have managed at least **one** Qualifying Project for at least 24 months.

5. **Minimum Service Provision Experience:** The proposed service provider(s) must have at least 36 months experience providing services to low-income family or senior residents (as applicable) within a Qualifying Project.

Note Regarding Experience: For any Respondent team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site. Any substitution should be clearly identified in Attachment 4, Qualified Project Form.

C.c. Minimum Developer and Owner Capacity Requirements.

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

1. **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment 5 – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

2. **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **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. The proposed Developer must also submit **Attachment 6 – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

3. **Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing noting job titles, FTEs, and status of each position (filled/vacant) and proposed Owner's organizational chart.

C.d. Minimum Proposal Requirements.

Eligible Proposals:

1. Must demonstrate *site control* as evidenced by appropriate documentation. The proposed purchase price must be reasonable in comparison to other sites in the neighborhood and in comparison to other affordable housing sites in the City. Prior to any disbursement of funds for acquisition, an appraisal supporting the acquisition cost will be required. Sites must be located in Districts 1, 2, 4, 7 or 8.

2. Must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/subdivision mechanism that will insure long-term affordable housing as the primary use of the land.

3. Must demonstrate financial feasibility. The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.

4. Must demonstrate – through provision of specific examples of inputs used for estimating - that the project's total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are 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 development cost, City subsidy and construction cost.

   Note: The MOHCD underwriting guidelines may be found here: http://www.sfmohcd.org/documents-reports-and-forms

5. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

6. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified. Proposals that include any

displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.

7. Must budget for a supportive service component that is appropriate for the needs of the anticipated tenant population, assuming at least 20% homeless.

8. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward.

9. Must express a commitment to pursue racial equity consistent with MOHCD's racial equity goals, as follows: through its policies, programs, resource allocation, and practices, MOHCD is committed to working in partnership with communities, organizations and those that have been most harmed by racial inequity especially Black, Brown, Indigenous and other San Franciscans of Color to: protect against displacement; shape where they live and work; create thriving neighborhoods; and,celebrate diverse cultures and unlock economic prosperity.

10. Ability for the project to make use of streamlined entitlements through SB 35 is highly desired.

D. Eligible Uses of Funds.

Funding that is awarded through this NOFA may be used to support a variety of pre-construction housing development activities for the production of new affordable rental housing, including but not limited to the following:

1. Property acquisition and holding costs;
2. Architectural and engineering expenses;
3. Environmental assessments;
4. Appraisals;
5. Legal costs; and/or
6. Project management.

Costs associated with the acquisition or design of commercial, office or community spaces may also be eligible uses of City funds, depending on how the use of these spaces relates to the proposed housing and the extent to which other potential resources for developing these spaces are utilized. Hard and soft costs associated with tenant improvement of such spaces are not eligible for support with these funds.

Projects currently under development that have existing funding commitments from MOHCD or the Mayor's Office of Community Infrastructure and Investment (OCII) are not eligible for funding under this NOFA.

E. Financing Plan and Affordability Restrictions.

Although the City is not mandating a certain development program for this NOFA beyond the

preference to fund one family project and one senior project, as described above, applicants should incorporate the following terms into their financing plans and submit a detailed sources and uses budget that reflects:

1. Primary capital funding sources that include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD)/CalHFA funds.

2. Rents set at affordability levels appropriate for the target population. For family projects, sponsors may propose rents up to the maximum tax credit eligible rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD ("MOHCD AMI"). For proposed senior projects, developers should assume a maximum of 80% MOHCD AMI, and a maximum average of 60% MOHCD AMI, with 30% of the units set at rents affordable to extremely low income seniors (in addition to the 20% homeless set aside). Underwriting of the extremely low income units should assume an ongoing rental subsidy sufficient to cover difference between rents set at 25% MOHCD AMI and 60% MOHCD AMI.

3. An operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the non-homeless households. A separate budget should be attached for services that will support the homeless households, for which the City, through either the Human Services Agency or Department of Public Health, depending on the population served, will provide funding.

4. A construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.

5. Where units are targeted to homeless households with incomes that are not sufficient to pay rent that offsets operating costs and other project costs, and a LOSP contract is anticipated, developers should include a projected rent subsidy amount necessary to ensure affordability for this target population and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is $250 per unit per month for all homeless populations. *Future projections may differ given the proposed tenant population and subsidy program available to the special needs units.*

   While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population. An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

6. All proposed financing will be subject to underwriting using the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines,

available on the MOHCD website (see www.sfgov.org/moh).

F. Design.

While no formal design submission is a requirement under this NOFA, applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses.

G. Support Services.

1. Services Funding:

This NOFA is part of the City's effort to facilitate the development of affordable permanent housing for low-income and homeless households by coordinating the review and approval of applications for capital resources from MOHCD with the review of funding requests for supportive services and operating subsidies from the Department of Homelessness and Supportive Housing (HSH). Generally, HSH will make direct referrals for any units targeting families that are homeless.

The winning developers will apply for services funding separately at the appropriate time. However, HSH, MOHCD and OCII collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of all of these agencies. Successful applicants under this particular NOFA will receive priority for funding from the appropriate City Department for services and operating subsidies (if needed).

2. Services Budget

As stated previously, operating budgets should include 1:100 staffing for the non-homeless residents.

For the formerly homeless residents: assume that services for homeless families and/or TAY will be funded separately by the Human Services Agency ("HSA") and services for chronically homeless will be funded by the Department of Public Health ("DPH"), through direct contracts with the Projects' service providers. Services for seniors may be funded by HSA or DPH.

Respondents should budget $350 per unit per month in services funding for the formerly homeless units.

Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD.

H. Evaluation Criteria and Scoring Summary.

Staff Review: MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements.

Low-Income Housing (Citywide) Selection Panel: The Director of MOHCD will appoint a Selection Panel composed of persons with expertise in areas that may includedevelopment, affordable housing financing, architecture, property management and resident supportive services. The Selection Panel may interview Respondents who meet the NOFA's threshold eligibility requirements, at which time Respondents will be asked to present and explain the major characteristics of their proposal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel. After all interviews have been completed, the Selection Panel will meet to determine the final ranking of all responses and present this ranking to the Director.

Both Selection Panels' proposals scoring will be done by consensus and will be final: no appeals of the scores determined by either Selection Panel will be accepted.

The Director will then select Applicants for both the Family and Senior funding pool, and MOHCD and the selected teams will enter into acquisition and predevelopment loan agreements with specific milestone achievement requirements established in accordance with the terms of this NOFA.

Selection criteria will include priority for:

1. Applicant Experience and Capacity
2. Readiness (including ability to use SB 35)
3. Cost-Effectiveness
4. Neighborhood Location
5. Extended Community Benefits
6. Commitment to Racial Equity Framework

All applications that meet the Threshold Eligibility Criteria identified in Section C will be rated and ranked according to the following scoring criteria.

	Category	Points
A.	**EXPERIENCE:**	**40**
i.	**Developer (20 pts)** ➢ Experience with the following: o Completing projects on time and on budget o Obtaining competitive financing terms o Developing housing in the proposed construction type o Developing for low-income families, including senior and formerly homeless residents ➢ Building community support through outreach ➢ Current staff capacity and experience to take on this project type	
ii.	**Owner (10 pts)** ➢ Track record successfully owning housing financed with Low-Income Housing Tax Credits o Experience owning affordable housing for low-income ➢ Current asset management structure, staffing and portfolio ➢ Capacity for assuming asset management of an expanded portfolio once the development is complete	
iii.	**Property Manager (5 pts)** ➢ Experience property managing for low-income families, including senior and formerly homeless residents ➢ Experience achieving high rates of housing retention ➢ Implementing low barrier tenant selection policies ➢ Contributing to long-term sustainability of the development ➢ Achieving cost efficiencies in operations	
iv.	**Service Providers (5 pts)** ➢ Experience delivering services to low-income families, including senior and formerly housing residents ➢ Experience linking residents to the City's safety net of services ➢ Working with property management to achieve high rates of housing retention ➢ Supporting positive outcomes for residents around health and economic mobility ➢ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years	
B.	**SITE CHARACTERISTICS AND VISION:**	**60**
i.	**Program Concept (30 pts)** ➢ Proposes site whose location, size, configuration and zoning are propitious for the development of affordable housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. ➢ Describes vision for a development program at this site, while best achieving the project goals, and includes: o A residential program and other envisioned uses; o Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood.	

	➢ Indicates particular groups served by the programs and spaces (tots, children, teens, young adults, adults, elderly, disabled etc.).	
ii.	**Community Engagement Strategy (10 pts)** ➢ Describes community engagement strategy and includes: o The team's philosophy on community engagement; o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community; o Efforts designed to engage all interested community members, including monolingual non-English speaking members of the community; o How the Development Team intends to comply with the City's Language Access Ordinance. ➢ Describes the Team's approach to achieving entitlements for the project expeditiously and the Team's approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations.	
iv.	**Finance and Cost Containment Approach (10 pts)** ➢ Describes the Development Team's financing approach to the project and presents preliminary financing plan that shows a feasible project consistent with current MOHCD underwriting practice. ➢ Includes the Team's process for structuring the project and controlling development costs. ➢ Includes innovative strategies intended to minimize MOHCD's projected capital gap financing. ➢ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.	
v.	**Commitment to MOHCD's Racial Equity Framework (10 pts)** ➢ Describes capacity and strategies for effectively implementing MOHCD's Housing Preferences, including neighborhood preference, to meet the goals of the program and ensure that residents of surrounding neighborhood will have maximum opportunity to access housing at the development. ➢ Describes proposed outreach strategies to engage communities that have traditionally lacked access to affordable housing opportunities in San Francisco, and how such strategies will support these communities to pursue opportunities at the proposed site	
	TOTAL POSSIBLE POINTS	**100**

I. Funding Requirements and Guidelines.

Funding Terms

Funds will be provided as residual receipts loans. Loans will be interest bearing, or may be interest free if needed to ensure the financial feasibility of the project. For all loans, however, in the event of uncorrected default under the loan agreement, interest shall be charged at the

minimum rate of 10% per year from the date of the loan agreement and shall become immediately due and payable.

Equal Employment Opportunities

Project Sponsors selected under this NOFA 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 development team members to participate in projects funded under this NOFA. To ensure that equal opportunity plans are consistent with City and Federal procurement requirements, sponsors should meet with MOHCD and San Francisco Human Rights Commission staff prior to hiring their development team to develop a plan for such compliance.

Environmental Review

Depending on conditions at the project site and on project plans, proposed developments 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. Depending on the location of the Project, review by the Department of City Planning or Redevelopment Agency Planning Division may also be required.

Accessibility Requirements

Project sponsors will be responsible for meeting all applicable accessibility standards related to publicly-funded multifamily housing development 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. In addition, 50% of all units proposed should be adaptable.

Relocation Requirements

Applicants under this NOFA may be subject to the provisions of federal or state relocation law. Upon submission of an application for funding under this NOFA, applicants should be prepared to notify any existing residential or commercial tenants of the plans to redevelop the site and that public funds are being sought for this purpose. The notice should also inform tenants whether or not they will be temporarily relocated or displaced as a result of the redevelopment and should inform them of their rights to relocation assistance.

Prevailing Wages

Projects selected for funding under this NOFA will be subject to applicable local, state or federal requirements with regard to labor standards. Developers 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 development budgets overall.

Employment and Training

Projects selected for funding will be required to work with the CityBuild initiative of the Mayor's 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 project.

Sustainable Design

The Mayor's Office of Housing and Community Development seeks to maximize the overall sustainability of financed projects through the integrated use of "green" building elements in compliance with local and state ordinances.

Projects selected for funding must comply with all of the mandatory minimum provisions of one of several recognized green building criteria including Enterprise Green Communities Initiative, Build it Green, and USGBC LEED.

J. OTHER REQUIREMENTS.

Before executing an agreement and disbursing any funds to a successful applicant for funding under this NOFA, the City will require the following:

1. An opinion by the applicant's legal counsel, satisfactory to the City's legal counsel, that the developer is duly formed, validly existing, in good standing under the laws of the State of California, has the power and authority to enter into an Agreement with the City, and shall be bound by the terms of the Agreement when executed and delivered, and that addresses such other matters as the City may reasonably request.

2. A copy of appropriate insurance policies naming the City as co-insured.

3. For Site Acquisition financing, an appraisal of the property to be acquired.

4. A Phase I (and II, if appropriate) Environmental Assessment.

5. Project sponsors will be required to comply with all requirements applicable to entities contracting with the City, including, but not limited to insurance coverage, business relationships, and domestic partners' benefits.

6. Audited or financially reviewed financial statements for the entity's last three fiscal years.

7. Executed development services contract with development partner or development consultant, if applicable.

8. Executed Memorandum of Understanding with service provider.

For questions concerning this NOFA, contact Jonathan Gagen, Project Manager (415) 701-5517; (jonathan.gagen@sfgov.org) at the Mayor's Office of Housing and Community Development. See section B.2 for additional information regarding Questions and Requests for Information.

K. Attachment A: Description of Submittal Requirements

Responses to this NOFA should organized as follows:

1. Summary. Provide a concise narrative description of the proposal for developing the proposed site, including the overall size, uses, resident and community amenities, general layout, and summarized financing and services proposal.

Provide **Form 2 - Proposal Metrics** form.

2. Sponsor Background Information. Provide copies of the following for the Lead Developer or Co-Developer entity:

- Certificate of Good Standing
- Certification of 501(c)(3) status
- Previous 2 years of tax returns or audited financial statements with management letters
- Borrower's organizational chart

3. Applicant Experience and Capacity. Using **Form 3 - Respondent Description**, provide 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 Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Construction Manager (s)
- Architect (s)
- Property Manager(s)
- Service Provider(s)

Provide a concise narrative to summarize the organizational structure of the Applicant, including the roles of Developer, Co-Developer and Development Consultant. Identify and briefly describe the experience of key development staff. Provide **Form 4** - **Projected Staffing Workload**.

Please provide **Form 5 – Qualifying Project Form** to document how Qualifying Projects characterists meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one (1) Qualifying Project or each of the experience categories:

a. **Minimum Development Experience**
b. **Minimum Ownership Experience**
c. **Minimum Property Management Experience**
d. **Minimum Service Provision Experience**

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying

Projects should be submitted. Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.

4. Readiness. In Tab 4, Applicant should provide the following documentation to demonstrate the Project's level of readiness to proceed with development:

- Evidence of Site Control
- Appraisal
- Phase I Environmental Assessment of property
- Scaled Map showing all site amenities for which Applicant will seek to demonstrate minimum eligibility for TCAC and CDLAC funds.
- Project Milestone Schedule, indicating which, if any, milestones have already been achieved.

5. Cost Effectiveness. Describe the overall financing plan for the Project that demonstrates that the Project meets threshold requirements, with sufficient information to allow MOHCD to fully determine each Project's feasibility, including:

1. Full development proforma, including:
    - Sources & Uses, including all terms related to equity and debt, e.g., eligible basis assumptions, 50% test calculations, construction and permanent loan rates and terms.
    - Rent schedule, including levels of affordability.
    - Tax Credit calculation assumptions.
2. 20-year cash flow (including, as appropriate, commercial revenue).
3. Year 1 operating budget (LOSP operations must be included in the overall project-operating budget. LOSP subsidies must be sized to cover the LOSP unit expenses should be reflected in the 20-year cash flow).
4. Commercial space financing plan.

Applicants should submit a completed MOHCD Excel Proforma for the Project.

In the narrative, highlight any innovative financing approaches intended to minimize MOHCD's projected capital gap financing. Highlight also any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses, including estimated savings calculations if appropriate.

Please also include a narrative that outlines the commercial financing and marketing plans, identifies interested potential commercial tenants and financial viability of such tenants, and whether the commercial space is a "cold" or "warm" shell.

6. Serves Highly Impacted Neighborhood

Provide narrative evidence of project need. Respondents should be prepared to provide neighborhood-level data to demonstrate trends in affordable housing preservation and displacement (recent units lost/gained), rent prices, and rent burden within the neighborhood the project is located, as well as neighborhood investment where appropriate. Sources such as the US Census, the American Housing Survey, Zillow and Zumper, will be accepted, and all citations must be verified.

For the purpose of this section, "neighborhood" shall refer to the Supervisorial District.

7. Serves Neighborhood Historically Under-Served

Provide narrative evidence of how project will address MOHCD's Racial Equity Framework. MOHCD's Racial Equity Framework is MOHCD's commitment, through its polices, programs, and practices, to working in partnership with communities, organizations and those that have been most harmed by racial inequity especially Black, Brown, Indigenous and other San Franciscans of Color.

Provide narrative evidence of low levels of neighborhood investments benefitting low-income residents. Examples may include number of affordable housing units built over time, relative to other neighborhoods. All citations must be verified.

For the purpose of this section, "neighborhood" shall refer to the Supervisorial District.

Submit a draft affirmative marketing plan that outlines initial occupancy outreach efforts, especially to City priority populations, including COP Holders, Displaced Tenants (formerly Ellis Act evictees), neighborhood residents (as defined by Local Ordinance), and households that live/work in San Francisco.

8. Provides Extended Community Benefits.

Provide a narrative that describes the extent to which the Commercial/Retail Plan achieves the development program objectives with respect to community benefits. Applicants should note that the Commercial/Retail Plan is subject to all applicable zoning restrictions.

Indicate here the Applicant's approach to any proposed community outreach the Respondent plans to undertake during the development process and building operations.

9. Disclosure Form. Submit a completed and signed copy of **Form 6 – 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.

L. Attachment B: RESPONSE SUBMITTAL CHECKLIST

Attachment B: Proposition A Multifamily NOFA - Submittal Checklist			
Project Sponsor:			
Project Address:			
Check Box	**Tab #**	**Submittal Requirement**	**Attachments**
☐	1.	Summary	Proforma Worksheets 1, 2, 3b
☐			Form 2 - Proposal Metrics
	2.	Sponsor Information	
☐	2.1	Certificate of Good Standing	Attach to Application sec. 2 as Attachment 2.1
☐	2.2	Certification of 501(c)(3) status (for nonprofit developers)	Attach to Application sec. 2 as Attachment 2.2
☐		Latest 2 years of tax returns or audited financial statements w/	
☐	2.3	management letters	Attach to Application sec. 2 as Attachment 2.3
☐	2.4	Borrower's Organizational Chart	Attach to Application sec. 2 as Attachment 2.4
☐	2.5	Board Resolution that authorizes application for MOHCD funds	Attach to Application sec. 2 as Attachment 2.5
	3.	Development Team Experience and Capacity	Form 3 - Respondent Description
	3.1.a.	Developer Experience and Capacity	Form 5 - Qualified Project Form
☐		Developer Experience	
☐		Developer Capacity	Form 4 - Projected Staffing Workload
☐	3.3	Property Management Experience	Form 5 - Qualified Project Form
☐		Property Management Experience	
☐		Property Management Capacity	Form 4 - Projected Staffing Workload
☐	3.4	Services Provider Experience	Form 5 - Qualified Project Form
	4.	Readiness	
☐	4.1	Evidence of Site Control	Attach documentation
☐	4.2	Appraisal, if available	Attach report, if applicable
☐	4.3	Phase I Environmental Assessment	Attach report
☐	4.4	Scaled Map showing all site amenities	for which seeking minimum threshold TCAC and CDLAC
☐	4.5	Project Milestone Schedule	Form 1: MOHCD Project Schedule
	5.	Cost Effectiveness	
☐	5.1	Financing Plan Description	Narrative
☐	5.2	Predevelopment Sources and Uses Budget	Proforma Worksheet 4a
☐	5.3	Residential Sources and Uses Budget	Proforma Worksheet 4b
☐	5.4	Commercial Space Sources and Uses Budget	Proforma Worksheet 5
☐	5.6	1st Year Operating Budget	Proforma Worksheet 6
☐	5.7	20-Year Cash Flow Proforma	Proforma Worksheet 7
☐	5.8	Construction Cost Estimate	
☐	6.	Serves Highly Impacted Neighborhood	Narrative
☐	7.	Serves Underserved Neighborhood	Narrative
☐			
	8	Provides Excellent Community Benefits	
☐	8.1	Description of Community Benefits	Narrative
☐	8.2	Affirmative Marketing Plan	Narrative
☐	8.3	Community Outreach Plan	Narrative
	9	Demonstrates Excellent Design - Preliminary Concept and Site Plan	
☐	9.1	Development Concept Description	Narrative
☐	9.2	Site Plan	Submit on 11x17 paper
☐	9.3	Conceptural Façade Elevations	Submit on 11x17 paper
☐	9.4	Floor Plans	Submit on 11x17 paper
☐	9.5	Commercial Space Plan	Submit on 11x17 paper
☐	9.6	Description of Green Building Commitment and Design Innovation	Narrative
☐	10	Signed Disclosure Form	Form 6 - Disclosures

M. ATTACHMENT C: MOHCD Excel Proforma

This is an Excel file found on the MOHCD website.

N. FORMS 1 to 6

These documents are found on the MOHCD website.