



**FALL 2021 NOTICE OF FUNDING AVAILABILITY
AFFORDABLE HOUSING
SANTA ROSA HOUSING TRUST
Issue Date: October 1, 2021 – Due Date: October 22, 2021**

The Santa Rosa Housing Trust is issuing this Fall 2021 Notice of Funding Availability (NOFA) for affordable housing in Santa Rosa on behalf of the Housing Authority of the City of Santa Rosa. The NOFA is intended to assist rental housing projects that are targeted to households at or below 60% of Area Median Income (AMI).

The Housing Authority has approximately \$2,260,000 available to award. The Fall 2021 NOFA is comprised of approximately \$694,325 of Permanent Local Housing Allocation (PLHA) program funds and \$1,565,675 of U.S. Housing and Urban Development Department HOME Investment Partnership Program (HOME) funds. Applications will be considered for all or a portion of the funds; applicants cannot specify a preferred funding source. **No Project Based Vouchers are available at this time.**

Qualified affordable housing developers/project sponsors (“Applicants”) that meet the NOFA requirements are encouraged to submit proposals. Eligible Applicants include for-profit or non-profit corporations, individuals, general or limited partnerships, or limited liability companies. Applicants without the necessary experience must enter into joint venture agreements with experienced developers in order to be considered.

The Housing Authority reserves the right to request that Applicants submit additional information as requested by staff. The Housing Authority also reserves the right to suspend, amend or modify the provisions of this NOFA, to reject all proposals, to negotiate modifications of proposals, or to award less than the available funding.

ELIGIBLE USE OF FUNDS

Funds may be used for the rehabilitation or development of rental housing (new construction) which is affordable to households at or below 60% of AMI for the Santa Rosa Metropolitan Area, adjusted for family size, as published and periodically updated by the State Department of Housing and Community Development pursuant to Section 50105 of the California Health and Safety Code, as well as prepared and presented by the City of Santa Rosa. All project applications must demonstrate how the Project is in alignment with the program requirements of the PLHA program (for the City of Santa Rosa’s Eligible Use of new construction for households at or below 60% of AMI) and HOME program funds. Project sites must be located within the Santa Rosa city limits.

Permanent Local Housing Allocation Program:

<https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

HOME Investment Partnerships Program:

https://www.hud.gov/program_offices/comm_planning/home

SELECTION CRITERIA

Projects will be evaluated and scored based on the Selection Criteria and the points system described below. Factors for evaluation include competitiveness; project readiness; financial feasibility of the project; qualifications, capability and expertise of the development team to finance, design, build/rehabilitate and manage affordable housing; affordability levels; number of units; unit mix (number of bedrooms); any information requested in the Loan Application; Housing Authority policies; and preferences; and completeness, accuracy, and quality of the proposal/application. The Housing Authority reserves the right to weigh certain selection criteria over others.

POINT SYSTEM

- Projects will be awarded up to 100 points* for the purpose of ranking using the following criteria:
 - Readiness – up to 10 points
 - Affordability – up to 20 points
 - Bedroom Sizes – up to 8 points
 - Special Needs Set Aside Units – up to 12 Points
 - Leveraging – up to 10 points
 - Project Competitiveness (CDLAC/TCAC/MHP scoring) – up to 10 points
 - Developer/Manager Experience – up to 15 points
 - On-Site Services – up to 7 points
 - Amenities – up to 3 points
 - Other Factors – up to 5 points

*A breakdown of the point range is included at Attachment A.

LOAN TERMS AND CONDITIONS

- Projects must target extremely low-income households, very low-income households, and/or low-income households (up to 60% AMI). Tenants may be families, seniors, veterans, special needs, or homeless (or at-risk), and/or other eligible tenants.
- The Housing Authority has requested that developers consider setting aside units for households experiencing homelessness, who are engaged through the Homeless Outreach Services Team (HOST) Program that is operated by Catholic Charities of the Diocese of Santa Rosa and funded by the City of Santa Rosa.
- The borrower shall enter into loan documents with the Housing Authority, including but not necessarily limited to: (1) Loan Agreement, (2) Promissory Note, secured by (3) Deed of Trust with the Housing Authority's Deed of Trust Rider, (4) Regulatory Agreement, (5) Hazardous Substances Indemnity Agreement, (6) Assignment of Architects' and Engineers' Agreements, Plans and Specifications and Consent, (7) Assignment of Construction Contracts & Agreements and Consent, (8) any other necessary documents.
- The borrower must accept the Housing Authority standard loan terms: three percent (3%) simple interest per annum, principal and interest deferred for the fifty-five (55) year loan term. Interest shall commence with the recordation of the Deed of Trust. The term of affordability will be fifty-five (55) years from the date of initial occupancy of the units, secured by a recorded Regulatory Agreement. Loan repayment terms include interim payments from any surplus cash generated by the property, with 75% of any surplus cash payments payable towards the Housing Authority loan and 25% surplus cash retained by the Developer.

- Projects must have reasonable acquisition, construction and operation costs.
- Applicants must leverage other financing sources such as, but not limited to, state, federal and other local sources and private equity.
- Applicants must demonstrate readiness.
- Projects must be soundly underwritten.
- Applicants recommended for funding must enter into the Pre-Commitment agreement with the Housing Authority.
- Applicants must have site control demonstrated by fee title ownership, an executed long-term lease or option to execute a long-term lease, signed option or purchase agreement, or equivalent legally enforceable instrument.
- Projects must comply with the requirements of the California Environmental Quality Act (CEQA). Projects with CDBG or HOME funding must also be assessed in accordance with the National Environmental Policy Act (NEPA). Compliance with NEPA may be required prior to finalization of the funding commitment, dependent on funding sources and use of funds.
- Applicants must comply with all funding source requirements, including but not limited to California prevailing wage requirements and federal Davis Bacon federal labor standards; Section 504 of the Rehabilitation Act of 1973; Americans with Disabilities Act (ADA); Fair Housing Act; Section 3 of the U.S. Housing Act of 1968, Equal Opportunity and related requirements in 24 CFR Section 982.53, as amended; Architectural Barriers Act of 1968; federal labor standards regulations under 29 CFR Part 5 and other regulations; and state and federal regulations pertaining to remediation of lead, asbestos and other hazards.
- Projects must comply with Housing Authority policies and policies; plans and ordinances of the City of Santa Rosa; state and federal regulations; and funding source guidelines and regulations.
- The Applicant / Owner shall pay any and all fees to the Housing Authority, including a loan application fee, loan document processing fee, compliance monitoring fee, subordination fee and other applicable fees, all of which are updated annually. If applicable, the applicant must pay all fees and costs associated with a tax-exempt bond issuance.
- Applicants should understand that under the California Public Records Act all documents that they submit in response to this NOFA are considered public records and will be made available to the public upon request.
- Funding Commitment Duration: Funding awards are expected result in a Project that can commence construction within 12 months of award. In the event the Housing Authority commits funds to a project that does not commence construction within the required timeframe, , the Housing Authority funds will be rescinded and made available via a subsequent NOFA.

The ability to satisfy these terms conditions is not a guarantee of project funding, and the Housing Authority reserves the right in its sole and absolute discretion to modify or waive any terms and conditions under its purview without further notice to proposers or potential proposers.

APPLICATION PROCESS

- ❖ **Application:** Please visit [Affordable Housing Loan Application Information](#) to obtain loan application information. Submit (1) a completed Housing Authority Loan Application Form, including its attachments and (2) an application fee in the amount of \$1,900, payable to the Housing Authority of the City of Santa Rosa. Applications will not be reviewed until the fee has been received. Please also see the current Housing Authority Fee Schedule for other fees if your application is selected for funding.
- ❖ **Due Date:** Applications and the application fee are due no later than October 22, 2021, at 4:00 pm. Please send one (1) hard copy of the application and attachments, as well as a thumb drive, by U.S. Mail or delivery service and one (1) electronic version by cloud-based file sharing such as Dropbox. The hard copy must be tabbed and **delivered (not postmarked)** to the below address by the application due date, and the electronic files must be individually named.

Hard Copy by U.S. Mail or Delivery Service* to:

Nicole Rathbun, Interim Housing and Community Services Manager
City of Santa Rosa
Department of Housing and Community Services
90 Santa Rosa Avenue
Santa Rosa, CA 95404

***The Housing and Community Services front counter is not currently open to the public. Hand delivery is NOT an option, please plan accordingly.**

Electronic version by file sharing (Dropbox) to:

NRathbun@srcity.org

- ❖ **Housing Authority Selection:** Applications will be reviewed for completeness and evaluated for competitiveness by staff and an Ad-Hoc committee of the Housing Authority. Interviews may be scheduled. Applications which are determined to best meet or exceed the selection criteria are anticipated to be recommended for Housing Authority approval at a future meeting.
- ❖ **For additional information:** Please contact Nicole Rathbun at NRathbun@srcity.org.

Attachment A.

Housing Authority of the City of Santa Rosa Notice of Funding Availability Points Scoring System



**Housing Authority of the City of Santa Rosa
Notice of Funding Availability
Points Scoring System**

Category	Pts	Criteria & Range																																																																																											
Readiness	10	7-10 = Planning entitlement approved, Building permit approved, Building Permits can be issued following award of funds																																																																																											
		4-6 = Planning entitlement approved, Building permit application under review (submitted and accepted by the Planning and Economic Development Department)																																																																																											
		1-3 = Planning entitlement application under review/pending approval (submitted and accepted by the Department)																																																																																											
		0 = No planning entitlement application submitted and accepted by the Department																																																																																											
Affordability (Affordability levels must be distributed among all bedroom size units, with at least 10% of units at each level of AMI)	20	20 = 100% of restricted units are at 30% AMI or below (all AMI is at HUD income levels not TCAC)																																																																																											
		19 = 75% of restricted units are at 30% AMI or below																																																																																											
		0-18 = Points based on Affordability Scoring Matrix below. Maximum points possible is 18 unless project fits above criteria.																																																																																											
		<table border="1"> <thead> <tr> <th colspan="9">Percent of Area Medium Income</th> </tr> <tr> <th></th> <th></th> <th>50%</th> <th>45%</th> <th>40%</th> <th>35%</th> <th>30%</th> <th>25%</th> <th>20%</th> </tr> </thead> <tbody> <tr> <td rowspan="8">Percent of Low-Income Units</td> <td>50%</td> <td>0</td> <td>13.5</td> <td>12.6</td> <td>13.5</td> <td>18</td> <td>18</td> <td>18</td> </tr> <tr> <td>45%</td> <td>0</td> <td>12.16</td> <td>12.6</td> <td>13.5</td> <td>18</td> <td>18</td> <td>18</td> </tr> <tr> <td>40%</td> <td>7.2</td> <td>10.8</td> <td>12.6</td> <td>13.5</td> <td>18</td> <td>18</td> <td>18</td> </tr> <tr> <td>35%</td> <td>6.3</td> <td>9.46</td> <td>12.6</td> <td>13.5</td> <td>18</td> <td>18</td> <td>18</td> </tr> <tr> <td>30%</td> <td>5.4</td> <td>8.1</td> <td>10.8</td> <td>13.5</td> <td>16.2</td> <td>18</td> <td>18</td> </tr> <tr> <td>25%</td> <td>4.5</td> <td>6.76</td> <td>9</td> <td>11.26</td> <td>13.5</td> <td>15.76</td> <td>18</td> </tr> <tr> <td>20%</td> <td>3.6</td> <td>5.4</td> <td>7.2</td> <td>9</td> <td>10.8</td> <td>12.6</td> <td>14.4</td> </tr> <tr> <td>15%</td> <td>2.7</td> <td>4.06</td> <td>5.4</td> <td>6.76</td> <td>8.1</td> <td>9.43</td> <td>10.8</td> </tr> <tr> <td>10%</td> <td>1.8</td> <td>2.7</td> <td>3.6</td> <td>4.5</td> <td>5.4</td> <td>6.3</td> <td>7.2</td> </tr> </tbody> </table>	Percent of Area Medium Income											50%	45%	40%	35%	30%	25%	20%	Percent of Low-Income Units	50%	0	13.5	12.6	13.5	18	18	18	45%	0	12.16	12.6	13.5	18	18	18	40%	7.2	10.8	12.6	13.5	18	18	18	35%	6.3	9.46	12.6	13.5	18	18	18	30%	5.4	8.1	10.8	13.5	16.2	18	18	25%	4.5	6.76	9	11.26	13.5	15.76	18	20%	3.6	5.4	7.2	9	10.8	12.6	14.4	15%	2.7	4.06	5.4	6.76	8.1	9.43	10.8	10%	1.8	2.7	3.6	4.5	5.4	6.3	7.2
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Bedroom Size	8	7-8 = 25% or more of the restricted units are 3-BD or larger
		4-6 = 25% or more of the restricted units are 2-BD or larger; fewer than 25% of units are 3-BD
		1-3 = Unit mix is varied between 0, 1, 2, 3-bedroom size units.
		0 = All units are studios
Special Needs Set Asides	12	9-12 = 25% of restricted units for formerly homeless, seniors or other Special Needs group as defined by HCD https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml
		5-8 = 10-24% of restricted units for formerly homeless, seniors or other Special Needs group as defined by HCD
		0-4 = less than 10% of restricted units for formerly homeless, seniors or other Special Needs group as defined by HCD
Leveraging	10	9-10 = Current Housing Authority funding request is not more than 3% of project cost
		7-8 = Current Housing Authority funding request is between 3.1-6% of project cost
		4-6 = Current Housing Authority funding request is between 6.1-12% of project cost
		0-3 = Current Housing Authority funding request exceeds 12% of project cost
Project Competitiveness (This section is for projects that identify state funding sources in the project financial structure. Projects that don't include state funding sources (committed or pending) will not be subject to this section)	10	7-10 = For State programs which only require a minimum score and are considered "over the counter," must have at least that minimum score. For competitive State programs (MHP, NPLH, etc.), must have 100% of total points possible. For State tax credit programs which include tiebreakers (TCAC), must have 100% of total points possible; tiebreaker will also be considered. Projects which have already received allocations from state programs with no state applications pending.
		4-6 = Competitive State programs (MHP, NPLH, etc.) score is within top 2% of total points possible. For State tax credit programs, score is within top 1% of total points possible; tiebreaker will also be considered.
		0-3 = Competitive State programs (MHP, NPLH, etc.) scores are not within top 2% of total points possible. For State tax credit programs, score is not within top 1% of total points possible.
Developer & Management Experience	15	15 = Recent experience in the region. Completed projects that are leased up. No projects are out of compliance with local, state, or federal programs.
		10-14 = Recent experience in the region. Projects are under construction. Leased up projects in comparable areas.
		5-9 = No recent experience in the region. Projects are in comparable areas and are leased up.
		0-4 = No recent experience in the region or comparable area.

On-Site Services	7	7-10 = Significant on-site services for residents, such as classes, childcare, community recreation space, etc.
		4-6 = Some on-site services; access to off-site services facilitated.
		0-3 = Very little or no on-site services, little or no off-site services facilitated.
Amenities	3	3 = Site is within 0.5 miles from transit stop, grocery, retail, public park, public library, etc.
		2 = Site is between 0.5 and 1.0 miles from transit stop, grocery, retail, public park, public library, etc.
		1 = Site is between 1.0 and 1.5 miles from transit stop, grocery, retail, public park, public library, etc.
		0 = Site is more than 1.5 miles from transit stop, grocery, retail, public park, public library, etc.
Other Factors	5	Other factors may include any of the following: Previous Santa Rosa Housing Authority loan; Previously awarded Project-Based Vouchers; Percentage of development cost from committed sources; Distance from existing affordable housing developments.
TOTAL	100	