



**AFFORDABLE HOUSING
FISCAL YEAR 2019 / 2020 NOTICE OF FUNDING AVAILABILITY
AND NOTICE OF SECTION 8 PROJECT BASED VOUCHER AVAILABILITY
HOUSING AUTHORITY OF THE CITY OF SANTA ROSA
Issue Date: August 6, 2019 (revised August 7, 2019)**

INTRODUCTION

The Santa Rosa Housing Trust is issuing this Notice of Funding Availability (NOFA) for affordable housing in Santa Rosa on behalf of the Housing Authority of the City of Santa Rosa. The Housing Authority has approximately \$2,479,000 and 75 Section 8 Project Based Vouchers (PBVs) available for this NOFA. The funds are comprised of federal and local funds in the following approximate amounts CDBG \$1,100,000, HOME \$589,000, HOME CHDO \$100,000 and Local Funds \$690,000. Applicants will be considered for all or a portion of the funds. PBVs are intended to increase the amount of serviceable debt a project can carry, thereby reducing the amount of funds needed from the Housing Authority, and to make the project more competitive for other funding. Applicants seeking Section 8 Project Based Vouchers as part of the project financing must make a request as part of the application under this NOFA.

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.

Funding and PBVs will be committed by the Housing Authority of the City of Santa Rosa on a competitive basis to the project or projects that provide the best opportunity to address the City's affordable housing needs. The Housing Authority reserves the right to request that Applicants submit additional information as requested by staff to clarify submitted information. 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 or less than 75 PBVs.

ELIGIBLE USE OF FUNDS

Except as provided by the funding source, funds may be used for one or more eligible affordable housing activities, such as land acquisition, predevelopment, new construction, rehabilitation (with or without acquisition), conversion from market rate, or preservation for extremely low, very low and low-income households. Funds may be used for rental and/or ownership projects. Mixed-use projects (containing both residential and nonresidential space) are eligible, however, the non-residential component of the project must be self-supporting.

SELECTION CRITERIA

Factors for evaluation include 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.

LOAN TERMS AND CONDITIONS

- Projects must target extremely low-income households, very low-income households, and/or low-income households. 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, and 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, secured by a recorded Regulatory Agreement.
- To be eligible for PBVs, applicants must certify the following:
 - Owners and agents will adhere to the PBV requirements in 24 CFR 983 and the Housing Opportunity Through Modernization Act of 2016.
 - Owners and agents will comply with all applicable fair housing and civil rights requirements found in 24 CFR 5.105a including, but not limited to, the Fair Housing Act, the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act.
 - If one of the respondents presents an Identity of Interest with the Housing Authority, the applicant agrees that the proposal will be forwarded to the HUD field office or HUD-approved independent entity for review.
 - If there are not enough PBVs available to fully fund a proposal, the applicant may be given the opportunity to accept a lesser number of vouchers than requested or decline all the vouchers.

- 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 the ability to compete well in securing competitive funding sources.
- 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. The site control instrument shall be valid for at least twelve months after the anticipated date on which the Housing Authority makes a loan commitment.
- Projects must comply with the requirements of the California Environmental Quality Act (CEQA). If federal funding or Section 8 Project Based Vouchers are involved, the Project must also be assessed in accordance with the National Environmental Policy Act (NEPA). Compliance with CEQA and NEPA must be completed prior to finalization of the funding commitment.
- In addition to CEQA and NEPA compliance, 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. Contact the Planning and Economic Development Department for discretionary application processing fees, building permit fees, impact fees and other fees that may be applicable to the project.

- 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.

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; (2) a draft state application for the applicable state funding program (including all Excel tabs), i.e., the application for 4% or 9% Tax Credits, Multifamily Housing Program, or if none, the California Universal loan application; and (3) an application fee in the amount of \$1,845, payable to the Housing Authority of the City of Santa Rosa. Please also see the current Housing Authority Fee Schedule for other fees if your application is selected for funding.
- ❖ Due Date: Applications will be reviewed on a rolling basis. The application period will be open through September 20, 2019 at 4:00 pm (the “Initial Application Period”). If sufficient completed applications have been received for review during this Initial Application Period, the application period will be closed. If sufficient applications have not been received during the Initial Application Period, applications will continue to be accepted until sufficient applications have been received, but in no case later than October 18, 2019 at 4:00 pm. Please deliver one (1) hard copy of the application and attachments and one (1) electronic version on a memory stick. The hard copy must be tabbed, and the electronic files must be individually named. Please send to:

Frank Kasimov, Program Specialist
City of Santa Rosa
Department of Housing and Community Services
90 Santa Rosa Avenue
Santa Rosa, CA 95404
- ❖ 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. The application(s) which is (are) determined to best meet or exceed the selection criteria is (are) anticipated to be recommended for approval by the Housing Authority at a meeting in Fall 2019.
- ❖ For additional information: Please contact Frank Kasimov at (707) 543-3465 or fkasimov@srcity.org.