



**FISCAL YEAR 2021/2022 FOCUSED NOTICE OF FUNDING AVAILABILITY  
AFFORDABLE HOUSING  
SANTA ROSA HOUSING TRUST  
Issue Date: March 29, 2021 – Due Date: April 16, 2021**

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The Santa Rosa Housing Trust is issuing this Focused Notice of Funding Availability (NOFA) for affordable housing in Santa Rosa on behalf of the Housing Authority of the City of Santa Rosa in an effort to position one or more projects for the 2021 second round of California Tax Credit Allocation Committee (TCAC) 9% tax credits, California Debt Limit Allocation Committee (CDLAC) application process, or Multifamily Housing Program (MHP) funding.

The Housing Authority has approximately \$8,900,000 available as a result of a prior \$4,200,000 award being returned, in addition to the annual allocation of local and federal funds. The FY 2021-2022 funds are comprised of approximately \$5,800,000 of Local Funds, \$2,900,000 of U.S. Housing and Urban Development Department Community Development Block Grant (CDBG) funds and \$231,000 in HOME Community Housing Development Organization (CHDO) funds. Applications will be considered for all or a portion of the funds. **No Project Based Vouchers are available at this time.**

Qualified affordable housing developers/project sponsors (“Applicants”) that meet the Focused 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 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 acquisition, development and rehabilitation of affordable housing inside the Santa Rosa city limits.

## SELECTION CRITERIA

Projects will be evaluated and scored based on the Selection Criteria and the points system described below. Factors for evaluation include competitiveness in the State funding programs, including the May 2021 CDLAC round, the July 2021 TCAC round, and the summer 2021 Multifamily Housing Program; 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 10 points
  - Special Needs Set Aside Units – up to 10 Points
  - Leveraging – up to 10 points
  - Project Competitiveness (CDLAC/TCAC/MHP scoring) – up to 10 points
  - Developer/Manager Experience – up to 15 points
  - Services and Amenities – up to 10 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. 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, 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 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: The funds are intended to assist projects in obtaining bonds, 9% tax credits or MHP funding in the 2021 rounds. In the event the Housing Authority commits funds to a project that is not successful in these current funding competitions, the funds will remain committed for up to two additional funding rounds with state applications due through September 2022. If the State funding is not awarded following the additional application round or if a suitable alternative funding source is not committed within this time, 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 April 16, 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 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, Program Specialist  
City of Santa Rosa  
Department of Housing and Community Services  
90 Santa Rosa Avenue  
Santa Rosa, CA 95404

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

Electronic version by Dropbox to:

[nrathbun@srcity.org](mailto: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](mailto:nrathbun@srcity.org).

## Attachment A

Category	Points	Range
Readiness	10	7-10 = Planning Approvals, Building Permits can be issued following award of funds 4-6 = Applications for entitlements have been submitted to PED, and are pending approval (currently under review) 0-3 = Applications for entitlements have not yet been submitted to PED
Affordability	20	20 = 100% of restricted units are at 30% AMI or below (all AMI is at HUD income levels not TCAC) 15-19= 51% of restricted units or more are at 30% AMI or below 10-14 = 51% of restricted units or more are at 50% AMI or below 5-9 = 50% of restricted units or LESS are at 80% AMI 0-4 = 100% of restricted units are at 80% AMI or higher
Bedroom Size	10	10 = 30% or more of the restricted units are 3-BD or larger 6-9 = 50% or more of the restricted units are 2-BD or larger; less than 30% of units are 3-BD 2-5 = Fewer than 50% of the restricted units are 2-BD or larger; unit mix is not all studios 0-1 = All units are studios
Special Needs Set Asides	10	7-10 = 25% of restricted units for formerly homeless, seniors or identified special needs population 4-6 = 10-25% of restricted units for formerly homeless, seniors or identified special needs population 0-3 = less than 10% of restricted units for formerly homeless, seniors or identified special needs population
Leveraging	10	10 = Housing Authority funds are not more than 10% of project cost 6-9 = Housing Authority funds are between 10.1-20% of project cost 2-5 = Housing Authority funds are between 20.1-30% of project cost 0-1 = Housing Authority funds are over 30% of project cost
Project Competitiveness	10	7-10 = TCAC/CDLAC/MHP Score is within top 10% of top score possible 4-6 = TCAC/CDLAC/MHP Score is between 10.1-25% of top score possible 0-3 = TCAC/CDLAC/MHP Score is lower than 25.1% of top score possible
Developer & Management Experience	15	15 = recent exp in region. Completed projects that are leased up 10-14 = recent exp in region. Projects are under construction. Leased up projects in comparable areas. 5-9 = no recent exp in region. Projects are in comparable areas and are leased up. 0-4 = no recent experience in region. No Comparable projects in region.
Services and Amenities	10	7-10 = within 0.5 mi of transit, retail, grocery, etc. and includes on-site amenities 4-6 = within 1.0 mi of transit, retail, grocery, etc. and includes on-site amenities 0-3 = more than 1 mi from transit, retail, grocery, etc. and includes on-site amenities
Other Factors	5	4-5 = Previous financial assistance; OR City owned site, etc. 1-3 = HA/City/RED/County is reviewing potential loan assistance 0 = No City or HA prior investment in development
<b>TOTAL</b>	<b>100</b>	