

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



Edwin M. Lee
Mayor

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Director

NOTICE OF FUNDING AVAILABILITY

Acquisition and Predevelopment Financing for AFFORDABLE MULTIFAMILY RENTAL HOUSING, Supported by the 2015 General Obligation Housing Bond – Proposition A

Issue Date: April 15, 2016
Application Due Date: June 20, 2016

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

Available Funds: \$15,000,000, including:

- \$6,000,000 for projects located in the Mission District (bounded by Division, Potrero, Cesar Chavez and Guerrero Streets); and
- \$9,000,000 for projects located anywhere in the City.

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A. Introduction.

In order to promote the development of permanent affordable housing for low-income and homeless households in San Francisco that is consistent with the 2015 **voter-approved General Obligation Housing Bond Proposition A**, as well as the City's Consolidated Plan, the City's current Master Plan Housing Element, and the 2004 San Francisco 10-Year Plan to Abolish Chronic Homelessness, the Mayor's Office of Housing and Community Development (MOHCD) announces the availability of predevelopment funding for the development of new, permanent affordable housing for low-income and homeless households.

San Francisco voters approved Proposition A in 2015 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 units;
- Serve vulnerable residents, such as homeless, veteran, senior, and low-income households;
- Accelerate the rebuilding of public housing;
- Preserve existing rent-stabilized housing;
- Expand rental and homeownership opportunities for the City's workforce; and
- Enhance the livability of San Francisco.

This NOFA specifically addresses Proposition A's mandate to create new affordable, low-income units and to serve vulnerable populations.

MOHCD will select proposals that show a clear ability to meet its Priority 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 Highly-Impacted Neighborhoods** with a demonstrated need for affordable housing. Sponsors may demonstrate the highly-impacted status of the neighborhood in which they propose to build through, among other metrics: eviction data, market-rate rents compared to City average; market-rate rents' rate of increase over time; overcrowding; or number of rent-burdened households.

4. **Serve Neighborhoods Historically Under-Resourced** for affordable housing development but which demonstrate a compelling need for such housing. Sponsors may demonstrate neighborhood resource levels by citing historical level of public and/or private investments in affordable housing in the neighborhood over a specified period of time.
5. **Serve Homeless Households** and other vulnerable populations, including, for example, seniors, transition-aged youth, or veterans.
6. **Provide Extended Community Benefits** through creative use of ground floor spaces for community-serving activities, such as child care, arts uses, nonprofit offices, or vocational training and development.
7. Enhance the neighborhoods in which they are located through **Excellent Design**.

Predevelopment funds issued under this NOFA will be available mid-2016. While MOHCD anticipates selecting approximately five (5) developments, including at least two (2) in the Mission District, MOHCD reserves the right to select any number of projects it determines appropriate given available Proposition A resources for low-income housing development and in order to fulfill the express goals of the NOFA.

B. Important Dates & Submission Process.

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|-------------------------------------------------------------------------------------------|----------------------|
| NOFA Issued by MOHCD | April 15, 2016 |
| Pre-submission Meeting at MOHCD | April 25, 2016, 2pm |
| Deadline for Questions and Requests for Additional Information | May 16, 2016 |
| Proposal Submissions DUE | June 20, 2016 |
| Preliminary Review for Threshold Eligibility by Selection Panel and Notice to Respondents | June 24, 2016 |
| Project Team Interviews | June 27-July 8, 2016 |
| Director of MOHCD Review/Approval of Recommended Projects | July 15, 2016 |
| Loan Committee (estimated) | August 5, 2016 |

1. Pre-Submission Meeting

A pre-submission meeting will be held at MOHCD (1 South Van Ness Avenue, 5th floor), on **April 25, 2016 at 2pm**. 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 **5:00 p.m. on May 16, 2016**. Emailed questions and information requests should be submitted to Mara Blitzer at: mara.blitzer@sfgov.org.

3. Submittal Date and Method.

Submittal of [9] hard copies of the Proposal must be received by the MOHCD receptionist and an emailed copy sent to mara.blitzer@sfgov.org no later than **5:00 p.m. on June 20, 2016**.

4. Final Review and Commitment of Funds.

The top-ranking applications will be preliminarily scheduled for review by the Loan Committee on August 5, 2016 in the order in which they are scored. 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 the last approved project.

C.a. Threshold Eligibility: Applicants.

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

- 1) Applicant is a development team consisting of:
 - a) At least one nonprofit housing developer that has successfully developed at least one "**Qualifying Project**" (see below) located in San Francisco within the last 5 years.
 - i. A **Qualifying Project** is defined as an affordable rental housing development for the target population of at least 50 units that was financed with low-income housing tax credits.
 - ii. Dedicated project management staff employed by a developer, or a consultant to the developer with equivalent experience in San Francisco, can satisfy this requirement if the nonprofit developer has developed a project of at least 50 units located in San Francisco using low-income housing tax credits within the last 10 years
 - iii. Developers may form a joint-venture partnership so long as the Qualifying Project requirements above are met. Joint-venture Applicants must identify a lead developer with responsibility for implementation of the project.

- iv. Developer(s) prior performance developing the Qualifying Project and other affordable developments will be considered in the review process, including the ability to develop housing on-time and on-budget and developer(s)' ability to successfully leverage non-City funds.
- v. Developer (or lead developer for joint-ventures) must demonstrate strong organizational financial capacity and ability to attract excellent lending and investment terms without significant risk of forgoing opportunities due to overexposure in the San Francisco lending and equity markets.
- b) A construction manager that has completed at least one Qualifying Project in the last 5 years and demonstrated experience working on all phases of design and construction, including pre-construction.
- c) An architectural firm that has designed and completed construction administration for at least one Qualifying Project in the last 5 years.
- d) A property management firm that has managed at least one Qualifying Project for at least 24 months (subject to satisfactory performance review by any City agency from which the Project received funding) and that has experience managing housing designed for the target population.
 - i. A property management team unaffiliated with the developer must submit a letter of intent or memorandum of understanding regarding its participation in the Applicant.
- e) A San Francisco-based service provider that currently provides comprehensive supportive services for at least one Qualifying Project (subject to satisfactory performance review by any City agency from which the Qualifying Project received funding) and that has experience delivering services to the proposed target populations.
 - i. A service provider unaffiliated with the developer must submit a letter of intent or memorandum of understanding regarding its participation in the Applicant.
 - ii. For the purposes of this criterion only, the Qualifying Project may not have received tax credit funding.

C.b. Threshold Eligibility: Projects.

Eligible Projects

1. Must be at least:
 - a. 50 new, affordable, senior units; – OR –
 - b. 50 new, affordable special needs units (including disabled and/or homeless households and/or households at-risk of homelessness); – OR –
 - c. 75 new, affordable, family units.

2. Must be new, permanent, affordable housing for low-income and homeless households.
3. Must include at least 20% of units targeted toward households that are homeless, as defined by the City and County of San Francisco, and linked with on-site supportive services. Successful applicants will be required to work with the City to identify operating or rental subsidies necessary to serve this population.
 - a. At the discretion of MOHCD, sponsor may be asked to increase the percentage of special needs units from 20% to 30%, and the type of special needs population served may include former residents of units under management of the San Francisco Housing Authority. For purposes of the application, however, developers should not assume public housing relocatees.
4. Must include appropriate space for the provision of supportive services for residents either on-site or immediately proximate to the project.
5. Must have a unit mix and unit sizes appropriate for the population served, consistent with applicable zoning and local ordinances, and consistent with requirements for other sources of funding proposed, including TCAC and CDLAC.
6. Must have proximity or accessibility of the site to amenities appropriate to the target population (e.g., shopping, health care, transportation, and parks/recreation. Alternately, applicant may demonstrate proximity by proposing such amenities to be located on site, or anticipated to be available within 1 year of project completion, where they are not currently available.

C.c. Threshold Eligibility: Proposals.

Eligible Proposals:

1. Must demonstrate *site control* as evidenced by appropriate documentation. The proposed purchase price (if an acquisition is proposed), 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.
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 must include a full relocation plan and budget.
7. Must include a comprehensive supportive service component that is appropriate for the needs of the anticipated tenant population, assuming at least 20% homeless. Proposals must include a services plan with a preliminary budget and staffing pattern appropriate for the proposed target population.
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.

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, 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, up to a maximum of 60% of AMI under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD.
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.*
 - a. 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.

- b. At MOHCD's discretion, the target population may include a percentage of units designated for former residents of San Francisco public housing. However, developers should not assume public housing relocatees for purpose of the application.
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.

Applicants should provide conceptual drawings that indicate the Project height, bulk, site layout, unit count, commercial/common space use, and community context.

The overall development concept and preliminary site plans proposed by applicants will be evaluated on the basis of the degree to which they consider the following general Design Goals:

1. Efficient site utilization that maximizes unit count and achieves construction and operational economies of scale while still meeting the unique design needs of the target population and the other design objectives listed below.
2. Street level connectivity at the ground level.
3. Contextual enhancement of the surrounding neighborhood.
4. Thoughtful placement of interior amenities that create a quality living experience, including:
 - a. Appropriately sized units and unit layouts for the target population
 - b. Appropriately located and accessible common area amenities, such as on-site laundry facilities, teen computer labs, counseling rooms, community gathering spaces, front desk, large welcoming lobby area, etc.
5. Thoughtful placement of exterior resident amenities that create a quality living experience and successfully resolve considerations such as:
 - a. Inclusion of the passive and active outdoor activities that will best support the tenants at differing ages;
 - b. Sun/shade patterns;
 - c. Potential views and vistas; and
 - d. The proposed building's relationship to adjacent interior uses.
6. Building sustainability, to the extent feasible, through the integrated use of sustainable

building elements, including those that improve indoor air quality, reduce resource consumption, and approach zero-energy consumption.

7. Design elements that meet or exceed the requirements of the 2013 San Francisco Green Building Code, California Title 24, and the California Tax Credit Allocation Committee regulations regarding sustainable buildings. See:
<http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/resources/tools>, <http://www.greenaffordablehousing.org/>, and www.ecodistricts.org.
8. Purposeful cost-efficient design elements, beyond those required to be compliant with Title 24, that keep both capital and operating costs low. These might include, for example, the use of off-site construction to shorten the development timeline, or the use of solar panels to keep electric/gas costs low.

Note: Some portion of the costs associated with the architectural analyses required to respond to this RFP may be reimbursable by MOHCD. MOHCD may make available up to \$5,000 per applicant.

G. Support Services and Tenant Referrals.

1. Services Plan:

- a. Respondents must include a trauma-informed services plan (“Services Plan”) that demonstrates an understanding of the housing and services needs of extremely low- and low-income households and the specific target population, including formerly homeless households who have experienced chronic trauma.
- b. The Services Plan should include access to and coordination with mainstream community services, subcontracted and/or partner services, and a commitment by each service provider to coordinate with onsite supportive services and property management through regularly scheduled meetings to ensure sound operational and building management practices.
- c. The Services Plan must include a description of the minimum services to be provided that are appropriate to the proposed target population, including homeless households, and the estimated frequency of the services. Examples of the services activities the supportive services staff perform for all sites may include:
 - i. Early intervention with Property Management in Resident Selection to conduct assessments.
 - ii. Ongoing outreach and engagement of the tenant population with the goal of achieving housing stability.
 - iii. Thorough outreach to outside providers to teach, coach and mentor adults and teens on various key areas, including, e.g., mental health needs, substance abuse treatment, domestic violence, and food security.

- iv. Help accessing benefits, pre-vocational and vocational training, legal services, and/or educational opportunities, as appropriate.
 - v. Referrals and assistance with accessing primary medical care and other community services as needed and connection with neighborhood community clinics.
 - vi. Eviction prevention support and referrals.
- d. The Service Plan should address the needs of homeless households with specificity, including, for example, depending on target population:
- i. A description of the way the Applicant will engage and assess formerly homeless families and individuals during the resident selection period.
 - ii. The implementation plan for trauma-informed systems, including provisions for ongoing training for services staff and property management teams.
 - iii. Collaboration with other trauma-informed services providers to teach self-reliance and empowerment with adults and teens.
 - iv. Assistance with families' transition out of homelessness, especially regarding mental health concerns and adverse childhood experiences.
 - v. Conflict resolution among tenants using trauma-informed principles.
 - vi. Recreation, community building, social, and/or other group programming.

The Services Plan must include staffing information (number of FTEs or percent thereof, type of services staff, roles of services staff), for both the homeless and non-homeless units. Services for the homeless units must be provided through a case manager to unit ratio of no less than 1 case manager for every 35 units; services for the non-homeless households should be provided at 1 services coordinator/connector for every 100 households. *Note, the final staffing ratios and budgets will be determined in collaboration with the new Department of Homeless Services.*

2. 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 Human Services Agency (HSA) and Department Public Health (DPH). Generally, HSA will make direct referrals for any units targeting families that are homeless or TAY. DPH will make direct referrals for any units targeting chronically homeless and high users of the public health system. Sponsors should contact both HSA and DPH regarding seniors, as both serve this group.

The winning developers will apply for services funding separately at the appropriate time. However, HSA, DPH, 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).

1. Services Budget

- a) As stated previously, operating budgets should include 1:100 staffing for the non-homeless residents.
- b) 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.
- c) Respondents should budget \$350 per unit per month in services funding for the formerly homeless units.
- d) 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.

1. Staff Review: MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements.
2. Low-Income Housing (Citywide) Selection Panel: The Director of MOHCD will appoint a Selection Panel composed of persons with expertise in the areas of development, 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.
3. Mission Neighborhood Selection Panel: Given Proposition A’s identification of \$50 million in funds specifically for the Mission neighborhood, MOHCD’s Director will appoint a second Selection Panel composed of persons with expertise in the areas of development, affordable housing finance, architecture, property management, and resident supportive services, as well as 2 community representatives who can bring knowledge of the Mission’s particular culture, history, community fabric, and aspirations to the selection process.
4. 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 Citywide funding pool and the Mission neighborhood 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
3. Cost-Effectiveness
4. Highly Impacted Neighborhoods
5. Neighborhoods Historically Under-Resourced
6. Quality of Services Plan
7. Extended Community Benefits
8. Excellent Design.

Tie scores will be broken by giving preference to project readiness, followed by cost effectiveness, then number of units proposed.

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

Once Applications have been deemed to meet Threshold Requirements, the total score for each Applicant will be the sum of the score assigned to the 8 categories described below.

| Category | Potential Points |
|-----------------------------------------------------|------------------|
| 1) Applicant Experience and Capacity | 30 |
| e. Developer (10) | |
| f. Construction Manager (5) | |
| g. Architect (5) | |
| h. Property Management (5) | |
| i. Resident Services (5) | |
| 2) Readiness | 15 |
| 3) Cost Effectiveness | 15 |
| 4) Serves Highly Impacted Neighborhood | 10 |
| 5) Serves Neighborhood Historically Under-Resourced | 10 |
| 6) Quality of Services Plan | 5 |
| 7) Provides Extended Community Benefits | 5 |
| 8) Demonstrates Excellent Design | 10 |
| TOTAL POSSIBLE POINTS | 100 |

(1a) Applicant Experience and Capacity -- (10 points possible):

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| Threshold: Has developed one Qualifying Project and demonstrates strong organizational financial capacity described in Section C.a.1.a.v.. | 0 points |
| One or more additional completed 100% affordable developments of at least 75 units funded by LIHTCs in the past 10 years (not including | 3 points |

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| the project submitted for Threshold requirement.) | |
| Staffing capacity. Demonstrated depth of supervisory and support staff as well as co-project management options to assure full staffing coverage for the entirety of the development process | 4 points |
| One or more additionally completed developments with a mixed-use component that included at least 5,000 sf of retail/commercial space in the past 10 years. | 3 points |

(1b) Construction Management experience: 5 points possible

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| One or more completed 100% affordable development of at least 75 units funded by LIHTCs in the past 10 years. | 4 points |
| Successfully shepherded permitting for at least one project of similar scope in San Francisco. | 3 points |

(1c) Architectural Experience – (5 points possible):

The experience of the lead architect or key staff of the architecture team responsible for overall design of the entire Development will be considered for purposes of scoring in this category.

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| One or more completed 100% affordable development of at least 75 units funded by LIHTCs in the past 10 years. | 4 points |
| Two or more past experiences with using holistic design process that considered both capital and long term operational costs as part of the decision making process. | 3 points |
| Successfully shepherded permitting for at least one project of similar scope in San Francisco. | 2 points |

(1d) Property Management Experience – (5 points possible):

Points will be awarded only to Property Managers whose experience includes managing housing for formerly homeless families and/or seniors in San Francisco in excess of 24 months.

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| One point will be earned for every 12 months experience managing a mixed use property (ground floor commercial with residential) | Up to 2 points |
| One point will be earned for every 12 months experience managing housing in San Francisco for formerly homeless households of same population as the Project. | Up to 1.5 points |

(1e) Service Provider Experience – (5 points possible)

Proposals will be scored according to the amount of experience (length of time) the service providers have successfully provided services to low- and very low-income families and seniors, including homeless households. This experience should include knowledge of available services and linking clients to the City’s safety net of services and supporting their efforts to access those services. A Letter of Interest from each service provider must be submitted with the application.

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| One point will be earned for every 12 months experience providing services for low-income households in excess of the minimum requirement. | Up to 4 points |
| One point earned for experience providing services to homeless households of target population. | Up to 1 point |

(2) Readiness – (15 points possible)

Proposals will be scored according to the degree to which the proposal demonstrates readiness to proceed as soon as funding from MOHCD is awarded.

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| Excellent | 15 points |
| Very Good | 10 points |
| Good/Poor | 0-5 points |

(3) Cost Effectiveness – (20 points possible)

Each Project’s Financing Plan will be ranked according to the degree to which it is feasible and consistent with the requirements, limitations and opportunities associated with the proposed sources; proposes development costs that are comparable to other similar Projects; minimizes MOHCD’s permanent financing; proposes innovative sources or financing instruments; and uses innovative (i.e., non-standard, routine or commonly used) but practical materials or methodologies designed to reduce development, construction and/or operating costs, either directly or indirectly, without reducing the overall quality of the completed Development.

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| Top ranked proposal re: cost effectiveness, preliminary financing plans, Cost Controls | 10 points |
| 2 nd ranked proposal | 7 points |
| All other proposals | 0-5 points |

(4) Serves Highly Impacted Neighborhood – (10 points possible)

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| Excellent | 10 points |
| Very Good | 6 points |
| Good/Poor | 0-3.5 points |

(5) Serves Neighborhood Historically Under-Resourced – (10 points possible)

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| Excellent | 5 points |
| Very Good | 4 points |
| Good/Poor | 0-3.5 points |

(6) Quality of Services Plan – (5 points possible)

Each Project’s Services Plan will be scored according to the degree to which the Plan provides access to an array of services appropriate to the diverse needs of the population proposed; encourages and facilitates that services access; coordinates with existing services in the neighborhood and community; and proposes an appropriate services budget, using the following

scoring matrix:

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| Excellent | 5 points |
| Very Good | 4 points |
| Good/Poor | 0-3.5 points |

(7) Provides Extended Community Benefits – (5 points possible)

Proposals will be scored according to the degree to which the Commercial/Retail Plan achieves the NOFA Priority Goals described in the Introduction and are financially feasible from both a capital cost and operating perspective. Developers should highlight the need for the proposed use and how proposal meets the identified need. If proposed use is non-conforming to zoning, please provide explanation of plan to achieve community acceptance.

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| Excellent | 5 points |
| Very Good | 4 points |
| Good/Poor | 0-3.5 points |

(8) Demonstrates Excellent Design – (10 points possible)

Proposals will be scored according to the degree to which the Development Concept and Preliminary Site Plan for the entire Development achieves the Design Goals described in Section F.

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| Excellent | 10 points |
| Very Good | 6 points |
| Good/Poor | 0-3.5 points |

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.

Successful applicants under this NOFA will be required to pursue funding to support a Green Charette, such as grants from the Enterprise Green Communities Initiative, as well as

additional funding that may become available to help pay for the cost of planning and implementing green building components.¹

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.
9. Proof of financing commitments for all non-City funding identified in the application.

For questions concerning this NOFA, contact Mara Blitzer, Director of Housing Development (415-701-5544; mara.blitzer@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.

¹ Programmatic goals for projects should focus on durability, energy efficiency, indoor air quality and recycling. MOH has outlined local sustainable building strategies in the *Materials Handbook* available at <http://www.andnet.org/materials>. Respondents may obtain more information about "green" building strategies and resources from Leadership in Energy and Environmental Design (LEED) program, described at <http://www.usgbc.org>. Additional information on "green" affordable housing initiatives can be found from Build It Green at <http://www.builditgreen.org>, in Alameda County's *Multifamily Green Building Guidelines* at <http://www.stopwaste.org/home/index.asp?page=291>, and at <http://www.greenaffordablehousing.org>.

K. Attachment A: Description of Submittal Requirements

Responses to this NOFA should be 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 plans.

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**.

Include the following in each response as relates to the Applicant experience, Construction Management experience, Architectural experience, Property Management Experience, and Service Provider Experience:

- Description of how the relevant threshold requirement is met.
- Description of any additional experience that demonstrates responsiveness to the Evaluation and Scoring Criteria.
- For the Service Provider, provide **Form 5 – Service Provider Experience**.

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 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. Serves Homeless Households/Services Plan. Submit a services plan of no more than three (3) pages that demonstrates that the project meets threshold requirements and includes the following information:

- The service provider’s overall philosophy and plan for providing services to the residents, including a listing and brief description of the services to be provided, and highlighting, if appropriate, any innovative approaches it may include;
- Staff knowledge of and ability to successfully address the impacts of severe-to-chronic trauma.
- The plan for engaging residents and encouraging access to services;
- How services for the residents will be coordinated with the existing net of services in the neighborhood and community;
- The proposed staffing model, including staff titles, position descriptions, salaries, and FTE status, and an explanation of how FTE time will be allocated;
- A description of the organization’s infrastructure to supervise, train and support on-site services staff and their supervisors; and
- A services budget that is consistent with the Services Plan.

9. 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.

10. Demonstrates Excellent Design.

Prepare and submit a conceptual design that includes a narrative explanation of the major qualities and features of the design concept as they relate to the design objectives of this NOFA. Documentation submitted should include:

Site plan showing ground level open space system. Show all proposed entries to commercial and residential uses. Show site and/or neighborhood/community considerations taken into account in developing the site plan.

Conceptual Façade Elevations representing general fenestration, entries and roof lines but not color or materials.

Floor plans for below grade floor, if any, ground floor and each upper residential floor showing general location of proposed residential lobby and entry level tenant spaces, unit locations and sizes, resident amenities, common areas for residents, retail/ commercial space, parking and general location of any proposed publicly accessed community serving uses or retail. Indicate approximate square footages for these spaces on the plan.

Commercial space plan that describes initial commercial space plan, how many units, typical square footages, and any shared common areas.

11. 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 |
| <input type="checkbox"/> | 1. | Summary | Proforma Worksheets 1, 2, 3b |
| <input type="checkbox"/> | | | Form 2 - Proposal Metrics |
| <input type="checkbox"/> | 2. | Sponsor Information | |
| <input type="checkbox"/> | 2.1 | Certificate of Good Standing | Attach to Application sec. 2 as Attachment 2.1 |
| <input type="checkbox"/> | 2.2 | Certification of 501(c)(3) status (for nonprofit developers) | Attach to Application sec. 2 as Attachment 2.2 |
| <input type="checkbox"/> | | Latest 2 years of tax returns or audited financial statements w/ | |
| <input type="checkbox"/> | 2.3 | management letters | Attach to Application sec. 2 as Attachment 2.3 |
| <input type="checkbox"/> | 2.4 | Borrower's Organizational Chart | Attach to Application sec. 2 as Attachment 2.4 |
| <input type="checkbox"/> | 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 | |
| <input type="checkbox"/> | | Developer Experience | |
| <input type="checkbox"/> | | Developer Capacity | Form 4 - Projected Staffing Workload |
| | 3.1.b. | Construction Management Experience and Capacity | |
| <input type="checkbox"/> | | Construction Management Experience | |
| <input type="checkbox"/> | | Construction Management Capacity | |
| | 3.2 | Architectural Experience | |
| <input type="checkbox"/> | | Architectural Management Experience | |
| <input type="checkbox"/> | | Architectural Management Capacity | |
| | 3.3 | Property Management Experience | |
| <input type="checkbox"/> | | Property Management Experience | |
| <input type="checkbox"/> | | Property Management Capacity | |
| <input type="checkbox"/> | 3.4 | Services Provider Experience | Form 5 - Service Provider Residential Experience |
| | 4. | Readiness | |
| <input type="checkbox"/> | 4.1 | Evidence of Site Control | Attach documentation |
| <input type="checkbox"/> | 4.2 | Appraisal | Attach report, if applicable |
| <input type="checkbox"/> | 4.3 | Phase I Environmental Assessment | Attach report |
| <input type="checkbox"/> | 4.4 | Scaled Map showing all site amenities | for which seeking minimum threshold TCAC and CDLAC |
| <input type="checkbox"/> | 4.5 | Project Milestone Schedule | Form 1: MOHCD Project Schedule |
| | 5. | Cost Effectiveness | |
| <input type="checkbox"/> | 5.1 | Financing Plan Description | Narrative |
| <input type="checkbox"/> | 5.2 | Predevelopment Sources and Uses Budget | Proforma Worksheet 4a |
| <input type="checkbox"/> | 5.3 | Residential Sources and Uses Budget | Proforma Worksheet 4b |
| <input type="checkbox"/> | 5.4 | Commercial Space Sources and Uses Budget | Proforma Worksheet 5 |
| <input type="checkbox"/> | 5.6 | 1st Year Operating Budget | Proforma Worksheet 6 |
| <input type="checkbox"/> | 5.7 | 20-Year Cash Flow Proforma | Proforma Worksheet 7 |
| <input type="checkbox"/> | 5.8 | Construction Cost Estimate | |
| <input type="checkbox"/> | 6. | Serves Highly Impacted Neighborhood | Narrative |
| <input type="checkbox"/> | 7. | Serves Underserved Neighborhood | Narrative |
| | 8. | Resident Services Plan | |
| <input type="checkbox"/> | 7.1 | Services Plan | Narrative |
| <input type="checkbox"/> | 7.2 | Services Budget | Narrative and Table |
| | 9 | Provides Excellent Community Benefits | |
| <input type="checkbox"/> | 9.1 | Description of Community Benefits | Narrative |
| <input type="checkbox"/> | 9.2 | Affirmative Marketing Plan | Narrative |
| <input type="checkbox"/> | 9.3 | Community Outreach Plan | Narrative |
| | 10 | Demonstrates Excellent Design - Preliminary Concept and Site Plan | |
| <input type="checkbox"/> | 10.1 | Development Concept Description | Narrative |
| <input type="checkbox"/> | 10.2 | Site Plan | Submit on 11x17 paper |
| <input type="checkbox"/> | 10.3 | Conceptual Façade Elevations | Submit on 11x17 paper |
| <input type="checkbox"/> | 10.4 | Floor Plans | Submit on 11x17 paper |
| <input type="checkbox"/> | 10.5 | Commercial Space Plan | Submit on 11x17 paper |
| <input type="checkbox"/> | 10.6 | Description of Green Building Commitment and Design Innovation | Narrative |
| <input type="checkbox"/> | 11 | 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.