

AFFORDABLE MULTIFAMILY RENTAL HOUSING PROPOSITION A NOFA

Supplemental Questions and Answers #1 to 39

May 17, 2016

Questions/comments about the QP and Sponsor and QP and Mission Neighborhood:

- 1. As a follow up to this issue, I reached out earlier this week to verify that our joint venture partner qualifies for threshold, regardless of being rehab or new construction, if they have experience developing a 50+ unit LIHTC project within the past 5 years. Do I have this correct?**
- 2. In previous recent RFPs for the Mission (1950 Mission, 2070 Folsom, 1296 Shotwell), there was explicit language regarding work experience in the Mission. Can we add that language to the NOFA for the Mission funds?**

Answers:

The Qualifying Project for may be a new construction or rehab, because it is not specified.

In the Mission neighborhood, the following additional language is added to Section C.a., regarding the Threshold Eligibility for the Applicant team:

At least one entity of the development team must have work experience in the Mission community that directly relates to the development of housing and/or the provision of housing or services to low-income households within an affordable housing setting.

Boundaries for the Mission

- 3. We would also like to request that they expand the boundaries of the Mission district beyond Potrero Avenue to US 101. Bryant Elementary and UCSF- General Hospital are both part of Mission Promise Neighborhood.**

MOHCD revises the definition of the Mission District, found on page 1 of the NOFA, to the following:

Bounded by Division, US 101, Cesar Chavez and Guerrero Streets.

Questions/comments about the QP and Architect:

- 4. [X] Architects has the experience to meet the criteria for the maximum 5 points as an Associate Architects. Will that meet the evaluation criteria requirements?**
- 5. I'm looking at the Prop A NOFA and the language regarding architects is a little fuzzy. We think strongly that architects who have been part of architecture teams doing affordable work should get full points under the architect section, even if they were Associate Architects.**

6. We have a rehab family project underway with the X Housing Authority (98 total units) that has TCAC funding, and is being renovated using a rolling completion method, i.e. some units are empty / under construction, while others are complete and occupied (~ approximately 25% of the total units at this point.) Would this be considered a qualifying project for the architect?
7. We would appreciate that the Architectural criteria remain as per the NOFA and not with the Qualifying requirement of in San Francisco in the past 5 years, or lessen the TCAC unit count.
8. Regarding Page 5: Item c) “An architectural firm that has designed and completed construction administration for at least one Qualifying Project in the last 5 years.” Would a project that will be completed and occupied by the end of 2016 qualify (i.e. we have completed design, and are currently in the midst of construction administration)? Example: We have a 109 unit family affordable rental project in National City (near San Diego) that is currently under construction and will be completed in December 2016. It is utilizing 9% tax credits. We have projects that would otherwise qualify, but are slightly older than 5 years (the production and delivery of all affordable housing has been slow over the last five years since the loss of redevelopment)!

Answers:

The following is provided to clarify the parameters for teams seeking to establish the minimum threshold and scoring Associate and Consulting Architects seeking to meet the minimum threshold for architecture experience as well as points in the scoring category.

An architectural firm that has designed and completed construction administration for at least one Qualifying Project in the last 5 years. *For the purpose of this section, a Qualifying Project DOES NOT need to be for the same target population as the proposed project. Further, the Qualifying Project does not need to be located in San Francisco, though the Qualifying Project must be located in California and be a dense, urban infill site.*

Further, related to the questions about associate architects, Architects who have performed in a Consulting and/or an Associate Architect capacity on projects put forth to meet the minimum qualifications for this criteria, shall provide evidence of Demonstrated Capacity beyond this Consulting or Associate Architect experience to meet the minimum qualification. Demonstrated Capacity must include having completed at least one dense/urban infill multifamily residential housing development as lead architectural firm within the last five (5) years, where that project meets at least 4 of the following 7 criteria:

1. *Contains 50 or more units of new construction in California*
2. *Exceeds \$10 MM in Construction Hard Cost*
3. *Has received development Planning Entitlements within San Francisco*
4. *Is an Affordable Housing Project and subject to San Francisco Mayor’s Office on Disability (MOD) plan review and approval*
5. *Served a specialized target population (specify)*
6. *Contains specialized commercial uses such as Childcare*
7. *Architect had responsibility for all phases of project from conceptual/schematic design to project completion.*

9. Several of the scoring categories include multiple scoring factors that in total exceed the maximum possible score for the category. For example, Architectural Experience (1c, on pg. 14) has 5 possible points, and three factors that total 9 points. Does that mean that one can achieve maximum points in a category without getting points in each subcategory?

Yes, it is possible to achieve full points in a scoring category without having received any points in any given sub-category.

10. In addition, Cost Effectiveness (3, on pg. 15) is described as a 15 point category, but the ranking system describes the highest-ranked project as receiving 10 points.

The Cost Effectiveness category is correctly described as a 15 point category on page 15. The breakdown of the points is to be revised as follows:

	Existing	Revised
Top ranked proposal re: cost effectiveness, preliminary financing plans, Cost Controls	10 points	15 points
2 nd ranked proposal	7 points	11 points
All other proposals	0-5 points	0 to 10 points

Further, the Property Management category, as written an applicant could only receive 4 points in a five point category. Therefore, the points will be distributed as follows:

	Existing	Revised
One point will be earned for every 12 months experience managing a mixed use property (ground floor commercial with residential)	Up to 2 points	Up to 4 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	Up to 3 points

Further, the Serves Neighborhood Historically Under-Resourced category, is correctly assigned 10 possible points but the distribution needs to be updated, per below:

	Existing	Revised
Excellent	5 points	15 points
Very Good	4 points	11 points
Good/Poor	0-3.5 points	0 to 10 points

11. While items such as Phase I and Appraisal appear on the checklist, NOFA language in Section J, Other Requirements (page 18) states that such items are required by the City, "before executing an agreement and disbursing any funds to a successful applicant for funding under this NOFA." While I understand that the most competitive NOFA responses

will have both of these documents completed, please advise on whether or not they are required for the June 20 submission or can be completed at a later date.

These are not required to meet Minimum Threshold. And, inclusion of these documents as part of the application may contribute to a higher score in the Readiness category.

12. So, since we have June 14 CDLAC, June 20 AHSC and June 29 TCAC, is there any chance of moving this deadline later???

We can move to deadline to Monday, July 11, 2016. This results in shifting the selection schedule as follows:

	Original	Revised
NOFA Issued by MOHCD	April 18, 2016	Same
Pre-submission Meeting at MOHCD	April 25, 2016, 2pm	Same
Deadline for Questions and Requests for Additional Information	May 16, 2016	Same
Proposal Submissions DUE	June 20, 2016	July 11, 2016
Preliminary Review for Threshold Eligibility by Selection Panel and Notice to Respondents	June 24, 2016	July 15, 2016
Project Team Interviews	June 27-July 8, 2016	July 18 – August 1, 2016
Director of MOHCD Review/Approval of Recommended Projects	July 15, 2016	Week of August 8, 2016
Loan Committee (estimated)	August 5, 2016	TBD

Questions from the bid meeting:

13. Please provide clarification on what are qualifying projects. Some specify projects in SF and some do not.

The Qualifying Project does not need to be located in San Francisco. Please see above for clarifications regarding the Architect qualifications and Applicant team membership for teams proposing projects located in the Mission.

14. Is the expectation for the PM is that they have tax-credit experience?

Yes.

15. Scoring states you can receive up to 3 points for a projects completed in last five years w/ commercial or retail space. Can it be public space? (pg 14)

Yes. The commercial space may be for community use, such as a daycare center or health center.

16. How developed should conceptual drawings be?

Pre-schematic, conceptual level.

17. Is there a particular unit type or mix that you are looking for?

No.

18. Any minimum title 24's or LEED requirements?

Please see the "Section I. Funding Requirements and Guidelines" within the NOFA. 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 as well as local and state codes.

19. In terms of demonstrating readiness will the process planning has now with 'PPAs.' Will that suffice as to demonstrating readiness?

A PPA will be an acceptable component of demonstration of project readiness to proceed with development.

20. What options do we have other than ground leasing with MOHCD?

An air rights parcel for the improvements would be considered so long as permanent affordability (ie life of the project) can be contractually established between the land owner and the air rights parcel owner. In the case where an air rights parcel is established and there is a long-term ground lease, the lessor must offer the City a Right of First Refusal and other assurances to make sure that the housing will not convert to market rate.

MOHCD's strong preference is to own the land and enter into a ground lease with the sponsor.

21. Do you see a PLA apart of this?

No.

22. Is it the responsibility of the developer to submit how complicated the building issues may be with submittal?

Yes.

23. For submittals you ask for 9 hard copies and an email version. Guidance?

Nine (9) hard copies are requested. In lieu of an email version, applicants may submit a link to a Dropbox account or submittal of a thumb drive.

24. If we have a third party PM do we need an LOI? How else can we demonstrate contractual evidence if they are not in house staff?

Yes.

25. Does the definition of "Qualifying Project" include needing to have been in developed in San Francisco?

No.

26. What constitutes an acceptable form of "Site Control"? Is a LOI sufficient?

Many forms of documentation of an agreement between the buyer and seller are acceptable to meet the minimum threshold. An LOI is sufficient. Some forms of Site Control may receive greater points.

- 27. What would the threshold eligibility requirement for minimum unit count for a project proposing affordable family units & TAY units? [If a project combines family and special needs (TAY) units, what would the minimum number of units be?]**

The Qualifying Project must be at least 50 units.

- 28. The timeframe for producing a thorough proposal is fairly short considering MOHCD has several NOFAs out concurrently. Can the deadline be extended?**

Please see above.

- 29. Can a staff member of architect satisfy the requirement of completing a Qualifying Project?**

Yes, as long as that person is anticipated to work on the proposed project.

- 30. 1(d): The Property Management maximum score is stated as 5 points but the possible scoring only adds up to 3.5 points maximum. Please confirm the scoring for this category.**

Please see above.

- 31. 3: The Cost Effectiveness maximum score is stated as 15 points but the possible scoring only adds up to 10 points maximum. Please confirm the scoring for this category.**

Please see above.

- 32. 5: The Serves Neighborhood Historically Under Resourced maximum score is stated as 10 points but the possible scoring only adds up to 5 points maximum. Please confirm the scoring for this category.**

The correct number of points for this category is 10. The revised points are as follows:

	Original	Revised
Excellent	5 points	10 points
Very Good	4 points	6 points
Good/Poor	0-3.5 points	0-3.5 points

- 33. We are proposing a 99 year ground lease, rather than an opportunity for MOHCD ownership of the land. We assume such a structure “will insure long-term affordable housing as the primary use of the land”, per the threshold eligibility requirements. Correct?**

Yes. Please see #20.

- 34. We assume that relocation requirements that result in costs should be captured in the budget. Do such relocation requirements affect a project’s scoring in any other way (readiness, for example)?**

Relocation requirements must be indicated in the development budget as well as in the project schedule. Should the circumstances of the required relocation add time to the project schedule and therefore require a longer pre-construction time period than a similar project without such relocation requirements, this could affect the discretionary score for Readiness.

35. Our project may displace an entity that is associated with a part of the development team. We assume that this will not result in relocation requirements. Correct?

Please consult a relocation consultant/expert as to whether relocation laws apply.

36. Do we need to have a contract or LOI if the construction manager is a third party?

Please see above.

37. We assume a project that has already entered into the entitlements process would be deemed more ready, but we also assume that if MOHCD would like to see changes to that project that readiness advantage would be lost. Are there other examples of readiness by which MOHCD would rate projects?

You assume correctly, that the scheduling advantage associated with having begun entitlements could be out-weighed by the need to make significant changes that would delay any timing benefit.

In considering project readiness, MOHCD will consider the level of development of the project program and the feasibility of the proposed project schedule.

Demonstration of readiness might include (though is not limited to):

- Letters of support.
- Evidence of investment of sponsor time and funds in the project to date.
- Evidence of status of the progress towards public approvals.
- Evidence of funding commitments of any non-City funds for acquisition and/or predevelopment that are committed at the time of application.
- Evidence of land-related due diligence – Title Report, Phase I, Phase II, Zoning Analysis, et.al.
- Fully articulated development program, including, as applicable, demonstration of competitiveness for proposed non-City funds.

38. It's a bit of a struggle tying down the usual suspects (the folks who are most knowledgeable about affordable housing) for the Prop A NOFA given the tight timeline and all of the other things going on right now. Has any thought been given to pushing the application date out a little longer?

Please see above #12.

39. Just an FYI - Prop A NOFA disclosure attachment is titled "From 6: ENP NOFA Disclosures" <http://sfmohcd.org/file/1641>. Since it's a PDF, I imagine we just re-title by hand and initial but let me know if otherwise.

Attached please find a new Form 6 with the corrected information.