

## Questions received on the MOHCD Affordable Multifamily Rental Housing NOFA by January 14, 2020

Questions received at or before the pre-submission conference held on January 9, 2020

- 1) **Question:** The NOFA indicates that funding is available for Districts 1, 2, 4, 7 and 8. Could MOHCD provide additional information about the selection of geography indicated in the NOFA?

**Answer:** The 2019 Housing Bond Report includes the following criteria in the Low-Income Housing and Senior Housing categories: “At least \$15 Million dedicated for site acquisition and pre-development of new housing projects either in neighborhoods which experience limited affordable housing production; or in neighborhoods facing both limited affordable housing production as well as a high number of housing units removed from protected status.”

MOHCD referenced the [2019 housing balance report](#) to determine which districts meet the Bond Report criteria. Based on the cumulative housing balance for 2009 Q3 – 2019 Q2 (Table 1A), the districts that had the least net new affordable housing built were Districts 2, 3, 4, 7, 9 and 11, and the districts that had the most units removed from protected status were Districts 1, 4, 8, 9, and 11. Among these districts, those with negative housing balances were Districts 1, 2, 4, 7, 8, and 11.

MOHCD also considered the current pipeline for affordable housing. Based on the projected housing balance for 2019 Q2 (Table 2), the districts with the least total affordable units projected were Districts 1, 2, 4, 7 and 8. Since Districts 9 and 11 both have higher total affordable units projected, and MOHCD is already planning to fund existing pipeline projects in those districts (1515 South Van Ness, 4840 Mission, and 2340 San Jose), they were not prioritized in this NOFA for predevelopment and acquisition funding. This determination meets the intention of the Board of Supervisors, which set aside this funding and created the Housing Bond Report criteria to achieve geographic balance in the City’s affordable housing investments.

- 2) **Question:** The minimum team characteristics in the NOFA refer to family housing, but the NOFA also indicates that \$15 million of the funding will go toward projects intending to serve low-income seniors. Similarly, there is no reference to senior housing in the Qualifying Project section of the minimum development team experience. In order to be considered for the \$15 million in funding for senior projects, will respondents need to provide evidence of experience developing and operating housing for senior residents?

**Answer:** Yes – respondents applying for the \$15 million in funds for senior housing will need to show evidence they have successfully developed and operated housing for senior residents. Please refer to the revised language in sections C.a Minimum Developer Team Characteristics, C.b – Minimum Development Team Experience and H. Evaluation Criteria and Scoring Summary of the NOFA.

- 3) **Question:** Is an appraisal needed to respond to the NOFA?

**Answer:** No, an appraisal will not be required as part of the submission, but one should be submitted if available. Please refer to the updated checklist included as part of Attachment B.

- 4) **Question:** There is \$150 million in the bond for senior housing. Does MOHCD expect that with the Laguna Honda RFQ, plus other projects in MOHCD's pipeline, plus the projects that come out of this NOFA, will spend the \$150 million.

**Answer:** MOHCD is close to allocating the \$150 million at this stage. MOHCD will issue an RFQ for 772 Pacific shortly, which is expected to be senior housing most likely. There is a land dedication site from the 5M deal, 967 Mission, which is also expected to be senior housing. Laguna Honda, which will be a very large senior project and there may be one or two other senior opportunities. Given that 1296 Shotwell is only senior deal, it's exciting to have the opportunity to have \$150 million in senior and to have projects queued up for the funds. With that said, the funding climate could shift, and more funding could become available for senior projects.

- 5) **Question:** If you don't end up getting allocations for \$15 million, will this become an ongoing NOFA as is the practice for the small sites NOFA?

**Answer:** It is likely it will become an ongoing NOFA. MOHCD will evaluate options for extending the NOFA after reviewing submitted responses under the current deadline.

- 6) **Question:** Would you be interested in any applications where MOHCD does not get the ground lease? The NOFA indicates that MOHCD will have a lease structure that will allow for MOHCD to have long-term holding of the land. If a respondent cannot do that, but can allow for some other form of access to title, will that be acceptable to MOHCD? Site control by January 30, 2020 may be difficult in certain circumstances.

**Answer:** MOHCD's preference is to have the land, consistent with MOHCD's standard practice and will prioritize proposed projects that reflect that practice. However, applicants may submit projects with alternative ownership structures where the land is held by another public agency or by a non-profit organization whose mission aligns with the proposed project.