

RESPONSE TO QUESTIONS

To Affordable Housing Notice of Funding Availability, Pre-Submittal Meeting on August 25, 2023, and other questions submitted by eligible respondents

- 1. Question:** How are onsite centers typically financed in an affordable housing development?

Response: It is typically the same as funding a typical commercial space. Erin and Courtney are happy to help you make connections with other developers who have accomplished this. It can also be an MOU between developer and provider, the developer takes on a loan as a more credit worthy borrower, and the provider agrees to make loan payments to the developer as part of a lease or MOU.

Also, family child care could be conducted in the ground floor units in typical buildings if there is access to outdoor space. See the LIIF guide for more information.

San Diego County also has a guide for in home child care.
- 2. Question:** Are federal prevailing wages required for HOME funds, also, I thought it was only 10%?

Response: Projects will have to comply with HOME prevailing wage requirements. No trigger for LMIHAF but NOFA requires compliance with State prevailing wage laws.
- 3. Question:** There is not an application fee, is that correct?

Response: Correct, no application fee.
- 4. Question:** This seems to be a very complicated NOFA, is there any technical assistance available for the entire process? What about the Emerging developers, list?

Response: While there is no designated technical assistance for the completion of this NOFA, please reach out to EDD directly so that we can connect your organization with technical assistance opportunities through partner organizations. Regarding emerging developers, I highly recommend getting plugged into the process if you are not already qualified as that will also provide opportunities to build relationships to assist with capacity building.

5. Question: WJJ 81 units have any funding for projects in progress? Up against Park fees, other fees.

Response: Private sources might be the best resource, maybe LISC, LIIF, SD Foundation, Mission Driven Finance, Price Charities

6. Question: Any advantage to submit earlier?

Response: No advantage, City will start review after receiving all applications on October 6th.

7. Question: Does a small emerging firm have to be on the emerging list, or be added to the list to be eligible?

Response: No, per the NOFA Applicant Eligibility in Section 4: *'Applicants who wish to assist with the growth and experience of minority-owned, women-owned and small and emerging local development firms are encouraged to review the City's RFQ list of these emerging developers for potential addition to their NOFA application team, or include other developer-chosen minority-owned, women-owned and small and emerging local development firms.'*

AFTER meeting

8. Question: Does the funding availability can come in a form of a grant or is it just a loan? And what would be the loan terms?

Response: The funding will be in the form of a loan, 3% simple interest, payable from residual receipts.

9. Question: Can the funding be used to refinance a property that has 25%-30% AMI?

Response: CDBG funds can only be used for the property acquisition price that will contain affordable housing (not eligible for refinance). HOME and LMIHAF can be used **to refinance** properties used for substantial rehabilitation of units that have affordability restrictions. PLHA funds are not eligible for refinance.

10. Question: Do you count the manager's unit as part of the units?

Response: In a NOFA application, applicants should provide the total number of units, the number of affordable units, the number or market rate units, and the number of manager units. Please note, the NOFA funds are only applicable to costs of the affordable units.

11. Question: Does the agreement require a 55 year deed restriction? What if we have less than 55 years remaining?

Response: Yes, the loan agreement resulting from the NOFA requires 55-year deed restrictions. If a project currently has affordability restrictions, new 55-year restrictions would be added as part of the City's loan agreement.

12. Question: Financial statement - is this the property statement or personal financial statement?

Response: Provide the Developer's most recent audited financial statements and/or single audit for nonprofit developers. Any existing building financial statements will be required at a later date, if the proposal is selected, during detailed loan negotiations.

13. Question: Would frail elderly individuals qualify as persons at risk of homelessness?

Response: "At risk of homelessness" means the same as defined in Title 24 Section 578.3 of the Code of Federal Regulations and also includes any household receiving rental assistance funded by the California Emergency Solutions and Housing (CESH) program or the California Homeless Emergency Aid Program (HEAP).

14. Question: We'll be applying for Bridge to Home for two different projects and each project has a different non-profit MGP partner that we're working with. Do we need to submit a RFQ response for each project since there are different partners involved?

Response: The RFQ is to qualify the comprehensive/total development team. Two RFP submittals may not be necessary, unless the non-profit MFG partner is providing most of the qualification/experience that will enable you to meet the RFP qualifications. If in doubt, you may want to submit both to be on the safe side.

15. Question: For the RFQ is it necessary to provide all development team information as it pertains to the specific project that we plan to submit to NOFA? Or do we solely provide Developer's development experience and qualifications? Developer has in-house team members GC, Property management, etc. However, we are not using the in-house services for the project we plan to submit. Do we identify all of the in-house team members in the RFQ even though we are not using them for the project?

Response: The purpose of the RFQ is to determine if the development team has the necessary experience and expertise to apply to the NOFA. With that being said, I recommend providing a comprehensive response regarding all facets of the development team—regardless if that specific partner/division will be heavily involved in the specific project that you plan to submit for NOFA. If deemed qualified and you are eligible to submit project, you will have opportunity to detail GC, property management, etc., at that time.

16. Question: Pre-Submittal Meeting Presentation notes for-profit entities are eligible for HOME funding request. However, throughout NOFA Round 3, requirements for HOME funds sounds like non-profit developer as a requirement by asking developer's evidence of non-profit status, etc. Can you clarify if non-profit developer is a requirement for HOME fund?

Response: Both for-profit and non-profit entities are eligible for HOME funding.

17. Question: While NOFA only asks the additional documents noted (NOFA pg 5 and 13), “Attachment C - HOME and CDBG Additional Requirements” list more documents. Can you clarify what additional documents are really required for HOME fund?

Response: Attachment D additional requirements (which is C on NOFA) ARE REQUIRED. HOME DOES require a 25% match, while CDBG does not. A UEI (unique Entity Identifier) can be acquired from SAM.GOV. *NOTE: It used to be called a DUNS Number.* Clarification - The City can accept the most recent ‘Financial Statement’ and/or the most recent ‘Single Audit’.

18. Question: Under “Attachment C - HOME and CDBG Additional Requirements”, item 24 “Match Requirements”, can you clarify what this document is asking for?

Response: HOME funds require 25% match, so this requirement is asking for detail on proposed match funds.

19. Question: We want to confirm that our submission and approval of our previous RFQ, under the Homekey program applies to this and we are in fact eligible to apply.

Response: Developer will need to submit/apply for RFQ as the City’s process is different than HCD Homekey.

20. Question: Under this NOFA, it notes funds can be used for acquisition, do we already need to have the property in escrow?

Response: Eligible funding for acquisition in this NOFA are PLHA, CDBG, and HOME. NOFA requires site control, so developer will need to at least have an accepted offer with contingencies, or a purchase and sale agreement.

21. Question: If a developer has previously applied and been awarded funding, do we still have to submit an RFQ response for the current round of the NOFA, in order to apply for funding for a new project?

Response: No, a new RFQ submittal is not required.