

Notice Of Funding Availability

For the Acquisition/Rehabilitation or New Development of
Affordable Rental or Ownership Housing



NOFA ISSUED: 4/10/2023

RESPONSES DUE: 5/15/2023 at 5:00 pm Pacific Time

All questions should be addressed to:

Community Development Department, Housing Division
City of San Rafael
1400 5th Ave, Third Floor
San Rafael, CA 94901
415.485.3383
housing@cityofsanrafael.org

The City of San Rafael does not discriminate on the basis of sex, race, color, religion, age, sexual orientation, disability, marital status, or national origin in employment or in its educational programs and activities. Auxiliary aids and services are available upon request to individuals with disabilities. Alternative formats will be made available upon request.

Notice of Funding Availability (“NOFA”)

For the Acquisition/Rehabilitation or New Development of Affordable Rental or
Ownership Housing

INTRODUCTION

The City of San Rafael announces the availability of one million four hundred thousand dollars (\$1,400,000) in funding available for the construction or the preservation of permanently affordable rental housing for seniors, families, and individuals and families with special needs, including individuals and families formerly experiencing homelessness. The funding is available through the City of San Rafael Affordable Housing Trust Fund.

The San Rafael Community Development Department (“CDD”), acting on behalf of the City, is the administrator of the housing trust fund and the administrator of this notice of funding. All questions should be directed to the contact listed on the front cover.

Funding Process

Funding will be awarded through a competitive process. Qualified responses might be awarded in full or in part, and funding may be awarded to one or more projects, depending on number of responses received and how each response addresses the goals of this NOFA. Responses shall be evaluated and recommended for award using the selection criteria provided. Funding awards will be approved by the San Rafael City Council. The City may, at its discretion, develop a waitlist based on in-lieu fees anticipated to be paid into the Affordable Housing Trust Fund in the near future.

Timeline

Announcement:	April 10, 2023
Virtual Applicant Workshop	April 26, 2023, 2:00-3:00PM
Responses Due:	May 15, 2023 by 5:00PM
Evaluation:	May 16-31, 2023
Developer Team Interview(s):	May 24-31, 2023
Notice of Pending Award(s):	Early June 2023
Award(s) Approved by the City Council:	Mid-June 2023

Applicant Workshop

The City will hold a virtual applicant workshop on April 26th from 2 to 3pm to review the NOFA and application. Please email housing@cityofsanrafael.org for registration. The recording will be posted on the 2023 NOFA webpage.

This information is also available on the Department’s website at:
www.cityofsanrafael.org/funding-for-housing-projects/.

Goals for the NOFA

Successful responses will meet the affordable housing goals provided in the [County of Marin Consolidated Plan \(2020-2024\)](#) and the [City of San Rafael Housing Element](#). The Housing Element provides the affordable housing goals of the City of San Rafael, while the Consolidated Plan is a five-year strategic plan for federal funding programs including the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships program (HOME). The Consolidated Plan provides a framework for identifying priorities and programs to address affordable housing, community development needs, and public services for extremely low- to moderate-income families, persons with disabilities, seniors, and youth. Both sets of goals are included in the NOFA to assure responses awarded will also be competitive for an award of the City's share of CDBG and HOME funds, which are administered by the County.

The City is in the process of updating its Housing Element. The [Draft 2023-2031 Housing Element](#) is available on the City's website.

Affordable Housing Trust Fund Guidelines

In addition to the goals provided in the Consolidated Plan and Housing Element, responses must meet the guidelines in [San Rafael City Council Resolution 14760](#), *Guidelines for the Administration of the Affordable Housing Trust Fund* ("Guidelines").

SELECTION CRITERIA

Responses must demonstrate the following minimum qualifications:

Eligible projects:

- Acquisition/Rehabilitation, including conversion of market rate housing or adaptive reuse of buildings to affordable housing.
- New Construction of affordable housing, including the residential portions of mixed-use and live/work projects that meet the affordability requirements of the Guidelines.

Eligible Applicants:

- Non-profit organizations, qualified under Section 501(c)(3) of the Internal Revenue Code;
- For-profit developers of affordable housing. For-profit developers experienced in residential development may also partner with a 501(c)(3) nonprofit organization.

Eligible Activities:

- Land or property acquisition;
- Predevelopment (architecture, engineering/soil, environmental, financial analysis);
- Construction (site preparation, construction, materials);
- Conversion of market rate housing, or non-residential buildings, to deed-restricted affordable housing;
- Any other activity that helps to address program goals and priorities of increasing affordable housing, as determined by CDD and reflected by ordinances and resolutions established by the City Council.

Developer Team Experience:

- At least one member of the developer team must have completed at least one affordable housing project within the City of San Rafael or a comparative locality. Affordable housing project means a residential or residential mixed-use project with residential units set aside for individuals and families earning at or below Area Median Income (AMI).

Considerations for Funding

- Project meets all requirements provided in the Guidelines.
- Developer team demonstrates site control or ability to achieve site control, including but not limited to a purchase sale agreement, executed deed or contract of sale, or letter from a public agency or other entity agreeing to convey property and including the terms and conditions of such a transfer.
- Budget demonstrates capacity to provide the greatest return on the City's investment by maximizing number of affordable units created through the creative use of design, materials, construction techniques, and financing.
- Financing plan includes reasonable per unit city subsidy coupled with other funding sources based on target population, project type and cost effectiveness (cost per person, externalities, reserves, leveraging).
- Ability of the project to contribute toward meeting the City's goals for new housing development and the Regional Housing Needs Allocation.

Additional Funding Considerations

- Project readiness in the form of approved entitlements and building permits and awarded state and federal funding.
- Projects located within a quarter mile of transit, or that provide units for larger families, or serve very-low- and/or extremely-low-income households, or include 20% or more permanent supportive housing.

The City of San Rafael Community Development Department will provide technical assistance to awarded developer teams including site, development, and financial analysis assistance; support obtaining state and federal funding; assistance with entitlements; and support in community outreach and engagement.

APPLICATION REQUIREMENTS

Application, disclosures, and budget template are available on the Funding Opportunities webpage: www.cityofsanrafael.org/funding-for-housing-projects/. Click on "2023 NOFA."

All submissions must include specific information regarding the developer's experience with the development and management of affordable housing and clearly indicate the roles and responsibilities of each member of the development team.

All submissions should be concise and relevant to the NOFA and include the following information and documents:

- I. **Application Packet** completed, with all applicable forms, attachments, and budgets included. The list of items included in the application packet include:
 - A. Preliminary budget and finance plan including sources and uses. Depending on the stage of the project, this should include the predevelopment and construction budgets and the commercial construction budget if the project is mixed-use. If the project acquires existing rental property, current rent roll and any available information on tenant household income should be provided.
 - B. Schedule for the project with major milestones.
 - C. Management plan and operating budget for at least 20 years.
 - D. Agreements, any joint venture partnership agreement or other agreement between development partners on the development team.
 - E. Resolution or other form of authority, signed by a Chief Executive Officer, Corporate Secretary, or managing partners, which lists the specific Officers who are authorized to execute agreements on behalf of the firm.
- II. **Cover letter** summarizing the project team.
 - A. A brief description of each entity in the project team and tax filing status.
 - B. Qualifications and experience of entities involved in the project and roles of each entity, including company profiles and staff leads.
 - C. Information on staff working on the project, including experience with similar projects.
 - D. List of previous similar work including client, property location, number of units, and type of financing (Federal, State, and local).
- III. **Project summary**, including number of units, number of bedrooms/baths per unit, affordability levels, accessibility features. The project summary will refer to and complement the information provided in the application packet.

- IV. **Disclosure form**, filled out and signed (one for each development team member).
- V. Project timeline and milestones, sources and uses budgets for acquisition/ predevelopment, construction, permanent financing, and Year 1 and 20-year operating budgets and cash flow.
- VI. **Any other information** that would help the selection team understand and evaluate the development proposal. Information may include client references for past development projects. References should include the following information:
 - a. Brief project description, including number of units and populations served.
 - b. Client contact person's name, title, organization, physical and email address, telephone number, and the project(s) that were completed under the client's direction.

RESPONSE DUE: Monday, May 15, 2023 at 5:00 pm Pacific Time

Responses must be submitted by email to housing@cityofsanrafael.org. All documents included in the response must be in PDF file format. Applicants may upload PDF responses to a drop box and email an access link.

Incomplete submissions or submissions that do not meet the minimum qualifications or otherwise do not conform to the requirements specified will not be considered.

Applicants are encouraged to email housing@cityofsanrafael.org with questions regarding this NOFA.

Timing

City staff anticipates that the NOFA process will follow the proposed timeline provided, however this timeline is tentative and subject to change. Staff will recommend projects for funding to the San Rafael City Council and request City Council approval to negotiate the appropriate funding agreement.

Disclaimers

The City reserves the right to suspend, amend or modify the provisions of this NOFA, to extend the submission deadline, to reject all proposals, to negotiate modifications of proposals, or to award less than the full amount of funding available.

While the dates and schedule stated in this NOFA represent the City's preferred timetable, it shall not be considered binding on the City. The submission of a response to this NOFA shall not be binding upon the City nor construed as a contract with or a commitment by the City. The City will not pay any costs incurred in the preparation of a response to this request. The City reserves the right to make decisions on which proposal it deems in the City's best interest, including rejecting all applicants.

All submissions shall be public records subject to public disclosure pursuant to the provisions of the California Public Records Act (Government Code Section 6250 et seq.).

Environmental Review and Assessment

Funding commitments shall be assessed in accordance with the California Environmental Quality Act (CEQA). If Federal funding is involved, the project will be assessed in accordance with the National Environmental Policy Act (NEPA).

Minimum City Contracting Requirements

The City of San Rafael will enter into a funding agreement with the successful applicants. The funding agreement will require the organization to maintain insurance coverage for the organization and its employees and for the property funded by the City, as specified below. The City of San Rafael will require each organization to carry the following minimum insurance:

1. Commercial general liability insurance policy in the amount of \$1,000,000 (\$2,000,000 aggregate). The City of San Rafael shall be named as an additional insured on the commercial general liability policy;
2. Commercial automobile liability policy including non-owned and hired automobile, in the amount of \$1,000,000; and
3. Workers Compensation as required by state law.

All of the above policies shall be payable on a per occurrence basis.

Contractors may also be required to carry errors & omissions, professional liability, or malpractice insurance.