
COUNTY OF SAN DIEGO
HEALTH AND HUMAN SERVICES AGENCY,
HOUSING AND COMMUNITY DEVELOPMENT SERVICES

Notice of Funding Availability (NOFA)
For
Affordable Housing Construction, Acquisition and Rehabilitation

Release Date: November 19, 2018

Sources of Financial Assistance:

State of California - Department of Housing and Community Development
No Place Like Home Funds

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Agency Director

COUNTY OF SAN DIEGO

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GENERAL INFORMATION

In releasing this Notice of Funding Availability (NOFA), the goal of the County of San Diego Housing and Community Development Services (HCDS), in partnership with the County of San Diego Behavior Health Services (BHS) (hereafter referred to as Health and Human Services Agency, or HHSA), is to facilitate construction, acquisition, design, rehabilitation, and preservation of affordable multifamily rental housing for persons with a serious mental illness who are Homeless, Chronically Homeless, or At-risk of Chronic Homelessness, through the use of the State of California's No Place Like Home (NPLH) funds. Qualifying multifamily structures must collectively contain five or more units and shall consist of Scattered Site Housing and multi-family affordable developments. Shared Housing is not an eligible development under this NOFA. Proposed projects must be leveraged with other funding sources, such as private equity loans from lending institutions; funds from federal, state or local programs, such as Low-Income Housing Tax Credits, Tax-Exempt Multi-family Housing Revenue Bonds, the U.S. Department of Housing and Urban Development's (HUD) Senior Preservation Rental Assistance Contracts; or the State of California's Affordable Housing and Sustainable Communities Program or Veteran Housing and Homeless Prevention Program. Projects must start construction within 18 months of the execution of loan documents. HHSA is encouraging housing development proposals located throughout the County of San Diego including the unincorporated areas of the County.

Each qualified project will be evaluated for suitability for NPLH funding. Award of NPLH funds are conditional on acceptance or eligibility for available state funding sources. The total amount of funds to be awarded shall not exceed the eligible costs associated with NPLH assisted units. To determine these costs, the cost allocation rules in 25 CCR Section 7304(c) shall apply.

Qualified housing developers who demonstrate their ability to 1) construct, acquire, and/or rehabilitate affordable housing developments 2) maintain affordable housing developments and 3) successfully operate Permanent Supportive Housing are encouraged to submit applications.

Allocations awarded to developments of five or more units shall be provided as pre-development or post-construction permanent loans underwritten and held by HHSA. Funds shall be provided in the form of a deferred payment loan that shall have an initial affordability term of 55 years, or longer if necessary to match the period of affordability restrictions under the tax credit program, commencing on the date of recordation of the County of San Diego's NPLH regulatory agreement. The loan may bear an interest rate of zero percent.

The County of San Diego's *Live Well San Diego* vision strives to achieve healthy, safe and thriving communities throughout the region. The San Diego region is thriving when residents are engaging (building community awareness and cohesion), connecting (filling gaps and ensuring equal access to basic needs) and flourishing (exceeding basic needs). For more information on *Live Well San Diego*, please visit www.livewellsd.org. HHSA is seeking applications that tie into and accentuate all aspects of *Live Well San Diego*, including the *Live Well San Diego* Indicators and the collective action outcomes.

All applications must include a Crime Free Multi-Family Housing Plan as well as Crime Free Lease Addendum (Item J of Additional Requirements), that aligns with Welfare and Institutions Code Section 8255 or other federal or State Project funding sources.

Applications submitted for consideration must be complete. **INCOMPLETE APPLICATIONS WILL NOT BE REVIEWED.** Applications for funding will be considered based on the threshold requirements and preferences/priorities criteria set forth in this NOFA. The NOFA and any applicable updates, including notifications will be posted on Buynet (<https://buynet.sdcounty.ca.gov>) and the County of San Diego's website. Additional information regarding accessing the NOFA and related documents is provided below.

This NOFA is an open application process. Proposals for funding will be considered on a first-come, first-served basis based on the preference and underwriting criteria set forth in this NOFA. Funds are available until the NOFA closes, is replaced by a new NOFA, or until all available funds are committed, whichever occurs first. Interested Developers will be notified that the NOFA is closed through a posting of a public notice on the HHSa website.

Applications must consist of a signed original and four **full** copies of the complete application packet. Each application must be in a three-ring binder with individual tabs identifying the application requirements and attachments. In addition, developers must submit one scanned PDF copy submitted on a **USB** drive. Faxed copies and electronic copies submitted via CD will **not** be accepted.

Please deliver applications to:
Housing and Community Development Services
Attn: Community Development
3989 Ruffin Road
San Diego, CA 92123

Pre- NPLH NOFA Informational Session will be conducted:

November 29, 2018
12pm-2pm
Housing and Community Development Services
3989 Ruffin Road, San Diego, CA 92123

APPLICATION DEADLINE-9-PERCENT LOW INCOME HOUSING TAX CREDITS

Applications that propose to apply to the California Tax Credit Allocation Committee (TCAC) must submit their application to HHSa at least 6 months prior to the respective TCAC application deadline.

CLARIFICATION DURING APPLICATION PERIOD

Request for clarification of specification, if any, during the application period shall be directed by email to Marco De La Toba at Marco.Delatoba@sdcounty.ca.gov.

NPLH SELECTION PROCESS

Consultation with HHSa is **highly advised prior** to the submittal of a proposal for Applicants who are requesting more than 25 Assisted Units and where the Assisted Units represent more than 10% of the total units in the project. Projects that exceed this threshold may be required to reduce the number of Assisted Units or provide mitigating program/development design to minimize the over concentration of Assisted Units and to ensure long-term project sustainability.

All submitted proposals will undergo a threshold review to determine developer's capacity to develop, own, and operate Permanent Supportive Housing for NPLH eligible population. Specific criteria to be reviewed is outlined in this NOFA. Proposals that do not meet threshold review, will be notified in writing and may resubmit prior to NOFA closing.

NPLH AVAILABILITY

By releasing this NOFA, HHSa is announcing the availability of No Place Like Home (NPLH) funds to promote the construction, acquisition, design, rehabilitation, and preservation of affordable permanent supportive rental housing for persons with a serious mental illness who are Homeless, Chronically Homeless, or At-risk of Chronic Homelessness located within San Diego County. In addition to the information provided in response to the Proposal Requirements for each proposal, HHSa will consider geographic distribution of funds throughout the region. These funds are intended to fill the gap in a development's financial structure after all other available sources of housing development funds are utilized. Such "other available funds" may include: Low-Income Housing Tax Credits; Tax-Exempt Multifamily Housing Revenue Bonds, California Mental Health Services Act funds; federal Home Loan

Bank Affordable Housing Program funds; other state, federal, and local programs; and loans from commercial lending institutions.

NPLH FUNDING

The goal of NPLH funding is to address affordability issues associated with creating housing units that are specifically set aside for persons with serious mental illness who are Homeless, Chronically Homeless, or At-risk of Chronic Homelessness. Developer shall use funds for the creation of new, permanent supportive housing units through acquisition, construction, rehabilitation, capital improvements of housing developments, as well as preservation of permanent supportive affordable housing developments at-risk of conversion to market rate housing and related costs. A Capitalized Operating Subsidy Reserve (COSR) may be available to projects to address deficits attributable to Assisted Units. Proposed Projects must incorporate the Housing First Model approach when screening potential tenants for leasing up.

Homeless, Chronically Homeless, or At-risk of Chronic Homelessness persons must be referred to NPLH assisted units through the use of the local Coordinated Entry System (CES). Developer must accept tenants regardless of sobriety, participation in service or treatment, history of incarceration, credit, or history of eviction in accordance with practices pursuant to WIC Section 8255 or other federal or state sources. Proposals that create new units will be given preference.

NPLH LOAN COMMITMENT RESERVATION PERIOD

NPLH loan funds will be reserved for the longer of up to 24 months or 3 tax credit application rounds. HHS A reserves the right to cancel its funding reservation if the HHS A loan has not closed escrow by the end of the twenty fourth month or third round of tax credit application period. Fund reservation time extensions may be granted at the sole discretion of HHS A. NPLH funding is contingent upon the developer obtaining commitments from all other necessary sources of funding.

NPLH PROGRAM ELIGIBILITY

Proposed developments must demonstrate integration of NPLH eligible populations with the public. This shall be accomplished by ensuring NPLH assisted units are integrated with other units in the development and not separated onto separate floors, buildings, or areas of the building. Additionally, Developers must certify they will facilitate or provide regular community building activities and architectural design features that promote tenant interaction, as feasible, depending on the scope of the construction or rehabilitation activity. Supportive Services Plans and Management Plans must include policies that promote participation by tenants in community activities and impose no restrictions on guests that are not otherwise required by other project funding sources or would not be common in other unsubsidized rental housing in the community.

OWNERSHIP/DEVELOPER ELIGIBILITY

Applications will be accepted from Developer Sponsors, except those found on the Excluded Parties List/SAM.gov, Office of Inspector General (OIG) Exclusions database or the State of California Medi-Cal Suspended and Ineligible Provider List.

SPECIAL CONSIDERATION

Preferential consideration may be provided for affordable housing developments with the following conditions:

1. Project will create new affordable housing units;
2. Project will leverage other forms of resources, including capital financing, housing subsidies and complementary support services;
3. Project will incorporate green building and resource-efficient technologies exceeding current standards;
4. Project will include a Whole Person Wellness and/or Healthy Homes Planning components;
5. Project will offer supportive services not mandatory within NPLH guidelines, to include recreational and social activities, educational services, employment services;
6. Project will offer furnished units for NPLH tenants;
7. Project will incorporate No Place Like Home Recommendations and Guidelines outlined in Attachment K.
8. Region

AFFORDABILITY PERIOD

NPLH funds shall be provided in the form of a deferred payment loan that shall have an initial affordability period of 55 years (the “Affordability Period”) commencing on the date of recordation of the Regulatory Agreement. The loan may bear a zero percent interest rate.

AFFORDABILITY REQUIREMENTS

All units assisted with NPLH funding will be required to be restricted to households whose income does not exceed 30 percent of the Area Median Income (AMI), as adjusted for household size with rents that are affordable to such households (as described in Attachment A). Affordability levels will be enforced through a Regulatory Agreement between the borrower and the County of San Diego that will be recorded against the property and will run with the land. Restricted units must remain affordable for the Affordability Period indicated above. Owners are required to examine tenant income annually to ensure that tenants meet the income and occupancy requirements.

Income levels are listed in Attachment E. "Median income" is defined and published periodically by HUD for the San Diego Metropolitan Statistical Area.

DEVELOPER CAPACITY

Developer capacity to perform administrative, managerial and operational functions and to oversee the work necessary for successful completion of the proposed project will be evaluated. To be eligible for financing, a developer must:

1. Exhibit prior work resulting in successful development of affordable rental housing. Successful development may include operation, construction, acquisition, acquisition with rehabilitation or any combination of accomplishments that created or preserved affordable rental housing.
2. Demonstrate project readiness.
3. Demonstrate leverage of development funds.
4. Demonstrate leverage of rental or operating subsidies.
5. Exhibit prior work resulting in the successful development and operation of permanent supportive housing.
6. Possess control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, a leasehold with development provisions or any other enforceable instrument approved by HHS.A.
7. Provide full disclosure of all associations between partners, contractors, and sub-contractors. Conflict of interest laws and regulations will be strictly applied.

PROPERTY MANAGEMENT CAPACITY

Property management’s capacity to manage Permanent Supportive Housing will be evaluated as outlined in Section GG of the additional requirements of this NOFA. Property Management must:

1. Demonstrate the Property Manager or Property Management team has a minimum of three years’ experience serving persons who are Homeless, Chronically Homeless, or At-risk of Chronic Homelessness and qualify as members of the NPLH Population.
2. Demonstrate the Property Manager or Property Management team has experience and knowledge of the Housing First model and other innovative strategies for housing retention and facilitate the implementation of reasonable accommodation policies.
3. Demonstrates a low-barrier tenant selection process that prioritizes those with the highest needs for available housing.
4. Demonstrate the Property Manager or Property Management team has a minimum of five years’ experience managing Affordable Housing properties; including those receiving Low Income Housing Tax Credits.

SERVICE PROVIDER CAPACITY

Available mental health services shall be provided directly by the County or through a subcontracted lead service provider. The County or the County’s lead service provider for the Development shall coordinate the provision of

or referral to services needed by individual tenants, including but not limited to substance use treatment services, for a minimum of 20 years.

Service providers must have a minimum of three years' experience providing supportive services to persons who qualify as members of the NPLH population. If such experience does not include experience serving persons in Permanent Supportive Housing, it must include experience helping persons address barriers to housing stability or providing other supportive services related to housing. Supportive Service requirements are further outlined in Section S of the additional requirements of this NOFA.

CONDITIONS

HHSA reserves the right to negotiate and award an allocation of funds to multiple developers and request additional information from developers, however, all terms indicated in this NOFA to be required are non-negotiable. By the act of submitting a proposal, developers acknowledge and agree to the terms and conditions of this NOFA and to the accuracy of the information they submit. HHSA reserves the right to reject any and all submittals, waive any irregularities in the submittal requirements, cancel this NOFA at any time, or award as much or as little money under this NOFA as it sees fit. All submittal packages become the property of HHSA and will not be returned. All submitted information will become public information and is subject to public inspection under the State of California Public Records Act. Proposals awarded NPLH funds, must comply with all requirements of the NPLH program under this NOFA. NPLH program regulations are available at <http://hcd.ca.gov/grants-funding/active-funding/nplh.shtml>

COST RECOVERY AND FEES

The owner of any project funded through this NOFA will be required to pay any relevant fees that may be imposed by State of California Department of Housing and Community Development or by the Board of Supervisors, as such fees may be enacted or amended from time to time.

An annual compliance monitoring fee of \$4,000 will be due and payable to HHSA at the beginning of each operational year. The compliance monitoring fee will increase annually at a rate of one percent above the previous year's rate. Failure to submit payment will result in a Notice of Default being issued by HHSA. Compliance monitoring fees must be incorporated into the proposal's operating pro forma.

NOFA APPLICATION

APPLICATION CHECK LIST

Please complete the following checklist and submit this form with the application.

All pages 8.5 x 11 inches indexed and tabbed.

One master copy and four identical copies, all signed, in three-ring binders.

One scanned PDF copy submitted on a **USB** drive.

GENERAL REQUIREMENTS FOR SUBMITTAL

- NOFA Application and Project Summary
- Attachments Summary
- Development Forms (Rental Income Form, Operating Expense, Development Costs, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro Forma, COSR (if applicable))

ATTACHMENTS and SUPPORTING DOCUMENTATION:

- Articles of Incorporation and By-Laws
- Audited Financial Statements/Single Audit (less than one year old)
- Board Resolution
- Certifications:
 - For non-profit organizations, proof of 501(c)(3) status and an up-to-date roster of the developer's board of directors.
- Community Review Documentation
- Crime-Free Multi-Family Housing Element
- Evidence of Funding Source Commitments
- Evidence of Qualifications of Supportive Services Team
- Evidence of Qualifications of Property Management Team
- Support Services Plan and accompanying Supportive Services Chart (Attachment M)
- Copy of Lease and Tenant Agreement
- Evidence of Site Control and Entitlements
- Title XXXIV Letter (Required for Projects developed in cities outside of the County's jurisdiction)
- Evidence to support how the proposed development aligns with *Live Well San Diego*
- Documentation of Aging-in-Place Design Components and Assistive Technologies (if applicable)
- Phase 1 Hazardous Waste Assessment, Environmental Review Compliance/Phase 2 (Phase 1 Mandatory, Phase 2 if applicable)
- Evidence of State or Federal Environmental Review Completion (if applicable)
- Location Map, Site Plan, Floor Plan, Photos
- Appraisal dated within 60 days of the final purchase offer
- "As-Built" Appraisal for New Construction Proposals
- Market Study
- Partnership Agreement (if applicable)
- Physical Needs Assessment (if applicable)
- Rehabilitation Estimate (including any required testing of major building systems that may be required) (if applicable)
- Testing for Asbestos, Lead and Residual Pesticides (if applicable)
- Relocation Plan and Relocation Contract (if applicable)
- Relocation Noticing (if applicable)
- Replacement Reserve Analysis
- Tax Credit Application with date of submission (if applicable)
- Tenant Characteristics Form (if applicable)
- Project Timeline
- Voluntary Acquisition Notice (if applicable)

APPLICATION CHECK LIST (CONTINUED)

Please complete the following checklist and submit this form with the application.

- Affirmative Fair Housing Marketing Plan (as required by Attachment C)
- Insurance Policies (as required by Attachment F)
- Management Plan (as required by Attachment E)
- Property Management Plan (as required by Attachment F)
- Preliminary Title Report
- Copies of Other Leveraged Source Loan Documents (if applicable)
- Evidence Developer is not on Excluded Parties List/SAM.gov, OIG Exclusions database or the State of California Medi-Cal Suspended and Ineligible Provider List

The application and its supporting documentation have been reviewed for completeness using the checklist above.

Authorized Signature: _____ Title: _____ Date: _____

Initial applications are subject to a preliminary review for completeness; developers submitting incomplete or ineligible proposals will be notified and a deadline for submission imposed. The selection procedure will include an evaluation of the total financing proposed in the NOFA application and the project pro forma. A determination will also be made concerning the consistency of the proposal with the strategy and priorities developed by the County of San Diego for the use of NOFA program funds. Proposals must comply with the regulations of the HHSA programs, as applicable.

PROJECT SUMMARY

Project Name:					
Name of Developer:					
Developer Address:					
Contact Name:					
Phone:			Fax:		
Email:					
Funding will be used to support the following (Check all that apply):					
<input type="checkbox"/> Rehabilitation <input type="checkbox"/> New Development <input type="checkbox"/> Preservation <input type="checkbox"/> Acquisition					
Project Address:					
Project Assessor's Parcel Number (APN):					
Service Provider(s):					
Types of Support Services Provided:					
Location of Support Services (Check all that apply):					
<input type="checkbox"/> On-site <input type="checkbox"/> Off-site					
Total Project Units: () Studio/ Efficiency units () 1 Bedroom units () 2 Bedroom units () 3 Bedroom units () 4 Bedroom units Manager's Unit: () Bedroom Size					
Total Number of Units ()					
Non-NPLH Assisted Unit Rent Range					
Percent of AMI	80	70	60	50	40
Studio/Efficiency:					
1 Bedroom					
2 Bedroom					
3 Bedroom					
4 Bedroom					
NPLH Units: () Studio/ Efficiency units () 1 Bedroom units () 2 Bedroom units () 3 Bedroom units () 4 Bedroom units					
Total Number of NPLH Assisted Units () Total Overall Percentage of NPLH Assisted Units ()					
NPLH Rent Range					
Percent of AMI	30	25	20	15	
Studio/Efficiency:					
1 Bedroom					
2 Bedroom					
3 Bedroom					
4 Bedroom					
Total Development Cost:			Total NPLH Funding Request:		
Will you be requesting a COSR? <input type="checkbox"/> YES <input type="checkbox"/> NO					
Number of Currently Occupied Units:					
Income Level of Current Households:					
Number of Potential Relocation Households:					
Expected Date of:					
Acquisition:					
Rehabilitation/Construction Start:					
Rehabilitation/Construction Completion:					
Occupancy:					

PROPOSAL REQUIREMENTS

Responsive proposals must include and/or adequately address each of the following sections as detailed below. Identify attachment numbers, as applicable.

1. General Project Information- Project Readiness

Attach pages as necessary to describe the following:

A. Provide a detailed description of the project. Address the following, as appropriate:

- (1) Describe the projects timeline and developer's ability to complete in a timely manner.
- (2) Provide list of enforceable commitments or other enforceable reservations of funds for all needed development funds.
- (3) Provide list of enforceable commitments or reservations of rental or operating subsidies.
- (4) Is the proposed project consistent with the project site zoning, General Plan designation, and the local community plan?
- (5) Describe all Community Planning/Sponsor Group action related to this project.
- (6) Provide documentation showing necessary land use, zoning, and building plan approvals.
- (7) Attach a market study documenting supply and demand for the proposed development. Data must be recent (within the last six months), for at least three rental housing developments similar in size and amenities to the proposed development.
- (8) Evidence of completion of all necessary environmental clearances (CEQA, NEPA), and completion of a Phase I Environmental Site Assessment and Phase II Environmental Studies (if applicable).
- (9) Attach an outline of the project's Crime-Free Multi-Family Housing Program, including proposed Crime-Free lease addendum.
- (10) List proposed conditions that conform to the Special Conditions found on page 7.

B. Provide a detailed description of the project location and of the existing uses at the site. Attach detailed street map(s) identifying the project and neighborhood boundaries, preliminary site plan(s), photos and floor plans of housing units. Address the following questions, as appropriate:

- (1) Are there other housing developments, facilities or services that address the same need in the area?
- (2) What percentage of Project Units will be NPLH Assisted Units?
- (3) Will the project require the relocation of households or businesses? If so, describe the circumstances (number of vacant units, number of units potentially subject to relocation, etc.) and attach a relocation plan and relocation consultant contract to the application. Attach a copy of current tenant rents rolls and income levels.
- (4) How accessible is the project public transportation, concentrated areas of job opportunities, convenience shopping, food shopping, public schools, etc.?
- (5) If applicable, how will the project incorporate aging-in-place components? Describe the use of universal design principles, telecare and other proposed assistive technologies.
- (6) Detail sustainability features for the proposed development.

2. Financial Feasibility

- (1) Describe how the project will leverage other funding sources, including capital financing, housing subsidies, and complimentary supportive services. Provide evidence of terms and the status of those commitments to the proposed development. HHSA must be advised if the developer will be requesting that HHSA subordinate financial interests. HHSA will require senior lenders to subordinate to HHSA's regulatory restrictions.

- (2) Discuss measures to be taken to promote energy efficiency in the proposed development. An Energy-Efficiency Based Utility Allowance schedule is available to qualified projects. Please indicate if you plan to utilize the Energy Efficiency-Based Utility Allowance schedule.
- (3) Describe in-kind contributions to the project. Include the name(s) of the contributors, the items or services that are being contributed and the value of the contribution.
- (4) Describe a plan for repayment of the requested amount of NPLH funds.
- (5) If the funding for the proposed project is in part dependent upon the award of Low-Income Housing Tax Credits or one of the Federal or State of California housing programs, describe how the project will be implemented in the event financing is denied. Be specific as to the amount, sources, likelihood and timing of alternative funding, as well as how the project will be scaled down, if necessary.
- (6) Describe plan to maintain operations and financial feasibility for full 55-year affordability period.
- (7) If you are requesting a COSR, please provide documentation demonstrating that Developer has:
 - Identified all possible federal, State, and local sources of rental assistance and other operating assistance to support the Assisted Units.
 - Submitted applications or other written requests to the appropriate entity to secure Project-based rental or other operating assistance to support the Assisted Units; or
 - Can provide other evidence from the appropriate entities that rental assistance and other operating assistance is not available to support the Assisted Units.

3. Support Services Plan

See Section S of “Additional County, State, and Federal Requirements- Evidence and Availability of Supportive Services” for Support Services requirements. Complete Attachment M- Support Services Plan as it pertains to the Development.

4. Developer & Property Management Experience

Attach pages as necessary to describe the following:

Developer Experience

A. Organization—Describe the following for the Developer:

- (1) Mission Statement
- (2) Past activities/experience
- (3) Administrative structure / organizational chart

B. Technical Capacity

- (1) Describe the Developer’s capability to manage the project as proposed.
- (2) Describe the project team’s experience in rehabilitation, construction and/or management.
- (3) Attach resumes of staff specifically assigned to this project. Include the credentials of the project team members.
- (4) Describe your ability to deliver high-quality services and supportive services to the eligible resident population.
- (5) Describe your ability to successfully develop and manage the real estate component of the project.

- _____ Number of rental housing developments/units completed.
- _____ Number of rental housing developments/units currently owned.
- _____ Number of rental housing developments/units currently managed.
- _____ Number of rental housing developments/units in development phase (funding committed but not ready for occupancy).
- _____ Number of PSH rental housing developments/units completed.
- _____ Number of PSH rental housing developments/units owned.

- _____ Number of rental housing developments/units managed.
- C. Participation of DVBEs
In accordance with County of San Diego Board Policy B-39a, all recipients must ensure that every effort is made to provide equal opportunity to Disabled Veterans Business Enterprises (Describe efforts that will be made to encourage the utilization and DVBEs)

Property Management

- (1) Describe experience of Property Management team. Include:
- Past activities and number of years working with NPLH populations
 - Experience with eviction prevention and reasonable accommodation policies
 - Experience in use of the Housing First Model
 - Experience in managing Affordable Housing properties financed by State funding

5. Collaboration & Site Amenities

Attach pages as necessary to explain the following:

- (1) Describe the extent to which the proposed project will involve other community organizations, other than Service Provider(s).
- (2) Describe any amenities or programs that may be beneficial to the project’s residents.
- (3) Describe the incorporation of safety features such as security doors, security guards, censor lights.

6. Innovation

Attach pages as necessary to explain the following:

- (1) Describe the extent to which the proposed development involves a new or innovative approach (either physical, financial or managerial) to meet the housing needs the housing needs of individuals with serious mental illness and/or families with seriously emotionally disturbed children/adolescents who are homeless, chronically homeless, or at-risk of chronic homelessness.
- (2) Describe and provide evidence to support how the proposed development aligns with [Live Well San Diego](#) components; Building Better Health, Living Safely, and Thriving.

PROPOSAL EVALUATION CRITERIA

The evaluation criteria listed below are in descending order of importance by section, not subsections, and will be weighted in the evaluation of the Developer’s written and oral proposals accordingly. The proposal should give clear, concise information in sufficient detail and in the order presented below to allow an evaluation based on these requirements. Although some of the elements listed below will be weighted more heavily than others, all requirements are considered necessary for evaluation.

First: General Project Information and Project Readiness (Section A and B)-Maximum 39 points

Second: Financial Feasibility- Maximum 21 Points

Third: Supportive Services, Developer and Property Management Experience- Maximum 33 points

Fourth: Collaboration and Site Amenities and Innovation-Maximum 17 points

Developer must, therefore, be acceptable in all four (4) areas to be eligible for award of a contract. The expectation is that those proposals in the competitive range and considered for contract award will exceed the minimum requirements.

GENERAL PROGRAM REQUIREMENTS

Responsive proposals will include and adequately address each of the following sections.

A. Board Resolution

Developers must submit a resolution of its board of directors authorizing the submittal of a proposal, specifying the maximum loan amount and identifying who is authorized to execute loan documents. (Refer to Attachment B).

B. Certifications

For Non-profit organizations, proof of 501(c)(3) status and an up-to-date roster of the developer's board of directors.

C. Community Review and Land Use Approvals

Developers must have all applicable local land use approvals at the time of NOFA submittal. Examples of such approvals include, but are not limited to, general plan amendments, rezoning and conditional use permits. Local land use approvals that are not required to be submitted at the time of application include design review, environmental study variances and development agreements.

Whether or not discretionary permits are necessary, developers submitting proposals involving new construction, acquisition or change of use must present the proposal to the appropriate Community Planning/Sponsor Group and request its vote on the project, prior to submittal of the NOFA application. The application must provide documentation of the Planning/Sponsor Group's response to the presentation and/or vote on the proposal, if one was taken.

ADDITIONAL COUNTY, STATE AND FEDERAL REQUIREMENTS

Attach pages as necessary to describe proposal compliance with the following areas:

A. Accessibility

Projects must meet accessibility requirements specified in the TCAC regulations as may be amended and renumbered from time to time, including those of 4CCR Section 10325(f)(7)(K) and, for senior projects, those of 4 CCR Section 10325(g)(2)(B) and (C). Projects must also provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with Section 4 CCR 10337(b)(2) of the TCAC regulations. Projects must also ensure that any other applicable, state, and local accessibility requirements are met.

B. Acquisition and Relocation Requirements

All projects shall comply with applicable state and federal relocation laws including California Government Code Section 7260 et seq., and 25 CCR Section 6000 et seq.;

C. Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan (AFHMP) (refer to Attachment D) shall outline methods of informing potential tenants about fair housing laws and contractor policies. An AFHMP must also contain a plan outlining how the contractor will affirmatively market the NPLH assisted units. In addition, an AFHMP must contain a plan outlining the special outreach actions to inform persons who would not be likely to apply for the NPLH assisted housing without special outreach efforts.

D. Developer and Contractor Debarment

All developers, construction contractors and sub-contractors must not be on the Federal Debarred Contractors List. Housing developers must verify compliance before awarding the construction contract. No award or contract shall be made with any organization that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549,

"Debarment and Suspension." Prior to award of any contract or subcontract, developer must provide proof of compliance, to include exclusion records from the System for Award Management (SAM).

E. Developer Fee: For Projects not utilizing low income housing tax credits, Developer Fee shall not exceed the amount calculated in accordance with subsections (1), (2) or (3) below. The per unit amounts will be adjusted in thousand-dollar increments in accordance with changes in the Consumer Price Index (CPI) when, following the year 2016, the CPI has indicated the next full thousand-dollar increment has been reached.

1. For new construction Projects and Projects where the contract for the rehabilitation work equals or exceeds \$35,000 per Unit:
 - i. For the first 30 Units, \$26,000 per Unit.
 - ii. For each Unit in excess of 30, \$10,500 per Unit.
2. For other Projects involving acquisition and rehabilitation where the contract amount for the rehabilitation work, excluding contractor profit and overhead, equals or exceeds \$10,500 per Unit and is less than \$35,000 per Unit:
 - i. For the first 30 Units, \$12,000 per Unit.
 - ii. For each Unit in excess of 30, \$5,500 per Unit.
 - iii. For all other Projects, \$2,000 per Unit.
3. For Projects utilizing 9 percent competitive low-income housing tax credits, Developer Fee payments shall not exceed the amount that may be included in project costs pursuant to California Code of Regulations, Title 4, Section 10327.

For Projects utilizing 4 percent tax credits, Developer Fee payments shall not exceed the lesser of \$3,500,000 or the sum of:

- i. The amount that could be included in project costs pursuant to Title 4, California Code of Regulations, Section 10327 of the TCAC regulations if the project was receiving 9 percent competitive credits; plus
- ii. Any remaining deferred Developer Fee (payable exclusively from operating income) that is allowed in eligible basis under Title 4, California Code of Regulations, Section 10327 of the TCAC regulations.

The dollar value of any capital contribution of funds or real property made by the Developer or an affiliate, as approved by HHSA, for Project development costs shall increase the Developer Fee limit by the dollar value of the capital contribution.

The limits set forth in this section shall apply to each Project pursuant to the terms of a program standard agreement, as memorialized in Department loan or grant documents entered into pursuant thereto (the "Original Award"). For any future work performed for the benefit of the Project, to the extent such work was not captured, set forth, or otherwise contemplated in any of the legal documents memorializing terms related to the Original Award, the fees for such new developer work benefiting the Project shall be recalculated in accordance with this section, treating that new work as if it were a separate project.

For projects where less than 25 percent of total units are counted in the determination of maximum Department loan or grant amounts, HHSA may defer to the limits on Developer Fees applicable to other public agency project funding sources, to the extent it deems necessary to attract sufficient applications to utilize available Department funding.

F. Appraisal

An appraisal must meet the definition of an appraisal found at [49 CFR §24.2\(a\) \(3\)](#) and the URA provisions at [49 CFR §24.103](#). An appraisal is required for all acquisition, rehabilitation and new construction projects. New construction developers are required to submit a land-only and an “as-built” appraisal, along with market studies to assist in establishing value. A review appraisal, in accordance with 49 CFR §24.104 of the Uniform Relocation Act, will be required for an “Involuntary Acquisition.”

G. Apprentice Requirements

This project is covered by the Prevailing Wage Law (Labor Code sec. 1720, et seq.) It is the contractor’s responsibility to abide by the apprenticeship requirements under that law.

H. Audited Financial Statements and Single Audit, As Applicable

Submitted audited financial statements must be current (within the last 12 months) and must include a Financial Statement indicating surplus or deficits in operating accounts, a detailed itemized listing of income and expenses and the amounts of any fiscal reserves. The audit must be certified by an independent certified public accountant licensed in California. “Regardless of whether the developer accepts federal funds for this project, the developer shall comply with all requirements that a subrecipient of federal funds must comply with described in this paragraph.”

As applicable, provide a copy of the A-133 audit and written notification of the results of the A-133 audit. In addition, in compliance with all federal requirements, provide HHSA with the corrective action plan for any deficiencies identified in the A-133 audit and the latest status of the corrective action plan.

I. Competitive Bidding Requirements

Developers seeking money under this NOFA shall procure construction services in the following manner:

1. If the developer is a general contractor, the developer may self-perform and where subcontracting more than one percent (1%) of the total work, obtain the subcontractor through formal bidding.
2. If the developer is not a general contractor, it shall:
 - a. Conduct a competitive procurement process for a general contractor, obtaining at least three bids from qualified, responsive contractors, and shall accept the lowest responsive and responsible bidder, and shall require a similar process for any subcontractor performing more than 1% of the work; or
 - b. Conduct a competitive process in substantial compliance with Public Contract Code section 22160 et seq.
3. If the developer is leveraging additional State and Federal funding sources, including but not limited to CDBG, HOME, or ESG, and SNPH funding per this NOFA, the developer shall comply with all requirements in Title 2, Part 200, of the Code of Federal Regulations.

J. Consistency with the County of San Diego Consortium Consolidated Plan

Developers are required to demonstrate that the proposed project is consistent with the current HUD-approved Consolidated Plan for the County of San Diego, and if applicable, for the jurisdiction where the project is located. The current FY 2015-19 Consolidated Plan may be downloaded from the following link:

[County of San Diego Consortium 2015-2019 Consolidated Plan/2015-16 Annual Funding Plan.](#)

K. Conflict of Interest

The developer will be required to agree to and comply with the following conflict of interest standards: Developer presently has no interest, including but not limited to other projects or independent agreements, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Developer shall not employ any person having any such interest in the performance of this Agreement. Developer shall not

hire County's employees to perform any portion of the work or services provided for herein including secretarial, clerical and similar incidental services except upon the written approval of County. Without such written approval, performance of services under this Agreement by associates or employees of County shall not relieve Developer from any responsibility under this Agreement.

California Political Reform Act and Government Code Section 1090 Et Seq. Developer acknowledges that the California Political Reform Act (“Act”), Government Code section 81000 et seq., provides that Developers hired by a public agency, such as County, may be deemed to be a “public official” subject to the Act if the Developer advises the agency on decisions or actions to be taken by the agency. The Act requires such public officials to disqualify themselves from participating in any way in such decisions if they have any one of several specified “conflicts of interest” relating to the decision. To the extent the Act applies to Developer, Developer shall abide by the Act. In addition, Developer acknowledges and shall abide by the conflict of interest restrictions imposed on public officials by Government Code section 1090 et seq.

L. Crime-Free Multi-Family Housing

Proposals must contain an element designed to provide Crime-Free Multi-Family Housing. This provision is included to ensure a crime free environment for residents. The element should provide for special services in apartment developments to decrease all types of illegal activities and should include an educational component for owners and renters, physical inspections to improve lighting and landscaping and information sharing to establish neighborhood identity. These services are supported by the County [Sheriff's Department Crime-Free Multi-Housing program](#). The Sheriff's local Crime Prevention Specialist provides informational sessions on how to cut crime in multi-family neighborhoods. Expenses associated with the Crime-Free Multi-Family Housing program for the proposed project should be covered in the project budget. A full description of the development's Crime Free Multi-Family Housing program must be submitted as part of the Management Plan. (Refer to Attachment E) and must include a proposed Crime-Free Lease Addendum (Refer to Attachment J).

M. Development Forms

Developers must submit: Rental Income Form, Operating Expense, Development Costs, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro Forma. The Development forms must include i) Transition Reserves; ii) Operating Reserves iii) Replacement Reserves; iii) COSR (if applicable).

Developer's estimated Rental Income Form will be used to determine financial feasibility and affordability of the project (use Attachments A and E to make the necessary calculations). Proposals with high levels of affordability will be given preferential consideration. The number of restricted units in a development must be at least proportional to the amount of funds invested when compared to the total development cost. In developments greater than 20 units, no more than 49% of units may be NPLH assisted units.

N. Energy Efficiency

Creating/preserving affordable housing that is energy efficient offers important short- and long-term benefits in reduced pollution and demand for energy. There are also direct benefits to residents, property owners, state and local housing agencies, Participating Jurisdictions (PJ), and HUD.

These include:

- Energy bill savings for low-income families, property owners, state and local PJs, and HUD;
- Improved home performance (in terms of air quality or reduced maintenance) which creates a healthier environment for residents;
- Greater future financial stability for residents and property owners through increased savings;
- Improved marketability of the home when renting or selling;

- Reduced long-term maintenance costs due to the use of more durable products and building techniques; and
- Increased affordability of housing due to reduced utility costs.

As addressed in the County of San Diego Climate Action Plan, proposals involving construction of new housing are expected to take specific measures to make the units energy efficient by either meeting or exceeding California's Building Energy Efficiency Standards. Examples of energy efficient measures include, but are not limited to, solar photovoltaic panels, dual glazed low-e windows, water efficient appliances, Energy Star rated appliances, durable building products, solar assisted water system or water efficient landscape irrigation. Rehabilitation projects should also propose to increase energy efficiency or energy savings in the housing project. An Energy Efficiency-Based Utility Allowance (EEBUA) schedule is available to qualified projects.

O. Environmental Review and Hazardous Waste Assessment

A housing development proposal (acquisition, rehabilitation or new construction) must have, at a minimum, an approved Phase I Hazardous Waste Assessment Report. This report is to be submitted with the NOFA application. A hazardous material (asbestos, lead paint) inspection report may also be required. In addition, testing for asbestos, residual pesticides, mold and water damage may be required. In certain situations, a Phase II and Phase III Environmental Assessment may be necessary. Time requirements for these reviews vary substantially, depending upon the potential for environmental impact.

Proposed projects must complete the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) environmental review, as applicable. Normally, CEQA processing will occur as a part of the land development process required by the local jurisdiction. The developer is responsible for obtaining the NEPA from the awarding agency of Federal funds. HHSA will assist in the coordination of the CEQA process as appropriate. When applicable, a NEPA Environmental Assessment must be completed and the release of funds must be authorized by HUD prior to board approval. Expenses incurred prior to environmental review may not be reimbursable.

Demolition or renovation of structures on sites constructed prior to 1980 that may contain Lead Based Paint (LBP) and Asbestos Containing Materials (ACMs), or other hazardous materials from these activities are managed by applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5, the worker health and safety requirements (Title 8 CCR Section 1532.1) and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8). Demolition or renovation operations that involve asbestos-containing materials must conform to San Diego Air Pollution Control District (SDAPCD) Rules 361.140-361.156. In accordance with existing regulations, a project may be required to complete asbestos and lead surveys to determine the presence or absence of ACMs or LBP prior to issuance of a building permit that includes demolition of onsite structures and prior to commencement of demolition or renovation activities.

Additionally, storage, handling, transport, emission, and disposal of hazardous substances will be in full compliance with local, State, and Federal regulations. California Government Code § 65850.2 requires that no final certificate of occupancy or its substantial equivalent be issued unless there is verification that the owner or authorized agent has met, or is meeting, the applicable requirements of the Health and Safety Code, Division 20, Chapter 6.95, Article 2, Section 25500-25520.

As of January 1, 2016, Mold has been defined as a substandard condition in housing when it is “visible mold growth”, as determined by a health officer or a code enforcement officer, in accordance with Senate Bill 655, Section 17920 and 17920.3. The County of San Diego’s Department of Environmental Health (DEH) addresses mold during routine inspections of apartments and hotels that are required to

have a health permit issued by DEH. DEH also responds to tenant complaints of mold in rental housing in the unincorporated areas of the County and in cities that contract with DEH to operate their housing programs.

From the time the application has been submitted, the developer must not commit funds or take any choice limiting actions (including, but not limited to, contracts for excavation, filling, construction, rehabilitation, or other physical activities) until completion of the environmental processing and HUD's formal Release-of-Funds, regardless of whether the work would be accomplished with federal funds or other matching funds.

P. Equal Opportunity

The developer will be required to agree to and comply with the following Equal Opportunity standards: Developer shall comply with the provisions of Title VII of the Civil Rights Act of 1964 in that it will not discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment nor shall Developer discriminate in any way that would deprive or intend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, national origin, age, handicap, medical condition, sexual orientation or marital status.

Board Policies B-53 and B-39a, which encourage the participation of small and disabled veterans' business enterprises in County procurements; and Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms. [#Remove this clause unless federal funds are being used] Developer shall, in accordance with 2 CFR 200.321 - Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms, take affirmative steps to include minority business, women's business enterprises, and labor surplus area firm by:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and

Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

Q. Evidence of Funding Commitments

Letters of intent from other lenders must include the name, title and telephone number of the responsible contact person. Developers must advise if they intend to request that funding will be subordinate to other funding sources. Senior lenders must subordinate to HHSA's regulatory restrictions.

R. Evidence of Site Control

Developers must possess and provide proof of control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, leasehold with development provisions or any other enforceable instrument.

S. Evidence and Availability of Supportive Services

Supportive Services must be in partnership with County of San Diego, Developer, Supportive Service Provider, and Property Manager. Available mental health services shall be provided directly by the County or through a subcontracted lead service provider. The County or the County's lead service

provider for the Development shall coordinate the provision of or referral to services needed by individual tenants, including but not limited to substance use treatment services, for a minimum of 20 years. Developers must submit a supportive service plan that describes the type and level of supportive services to be provided to residents of NPLH assisted units. In addition, developers must provide evidence of commitment for the supportive services proposed.

The use of services by residents may not be imposed on a mandatory basis and must be available in a manner that is voluntary, flexible, and individualized. Adaptability in the level of services should support tenant engagement and housing retention. Access to or continued occupancy in housing cannot be conditioned on participation in services or on sobriety. Except as otherwise noted below, the following required services can be provided onsite at the Project or offsite. For services provided off-site, public or private transportation options must be available to NPLH tenants and their families in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than ½ mile.

1. Case management
2. Peer support activities
3. Mental health care, such as assessment, crisis counseling, individual or group therapy, and peer support groups
4. Substance use services, such as treatment, relapse prevention, and peer support groups
5. Support in linking to physical health care, including access to routine and preventative health and dental care, medication management, and wellness services
6. Benefits counseling and advocacy, including assistance in accessing SSI/SSP, enrolling in Medi-Cal; and
7. Basic housing retention skills (such as unit maintenance and upkeep, cooking, laundry, and money management).

During the process of selecting County of San Diego Behavioral Health Services providers, the following shall be evaluated:

- Developer's background and experience with a tenant population similar to the NPLH population
- Developer's background and experience serving a tenant population similar to the NPLH population living in supportive housing, including Developer's experience in addressing barriers to housing stability or providing other support services related to housing retention
- Description of the Program
- Organization and Staffing
- Financial Information

A Memorandum of Agreement will be finalized for projects receiving service commitments from the County for NPLH tenants which will identify the roles and responsibilities of the County, the project owner, other service providers, and the property manager.

Developers shall submit a Support Services Plan (**Attachment M**) that includes the following:

1. Total number of units to be NPLH Assisted Units;
2. Itemized budget and sources of funding for services;
3. Description of the eligible population to be served, and identification of any additional subpopulation or occupancy preference for the NPLH Project that the Developer wishes to undertake beyond what is permitted under the eligible population requirements. Any additional subpopulation outreach or occupancy preference for NPLH Project must be approved by HHSA

PRIOR to construction loan closing and must be consistent with federal and state fair housing requirements;

4. Plan for coordination of services with the County's or the County's lead service provider;
5. Strategies for tenant outreach, engagement, and rental stability and retention of both NPLH Assisted and non-assisted units. How will property management and service providers work together to prevent evictions, adopt and ensure compliance with harm reduction principles, and facilitate the implementation of reasonable accommodation policies from lease up to ongoing operations of the Project?
6. Process to use Coordinated Entry System for notification of unit vacancies and receipt of tenant referrals, including individuals with serious mental illness;
7. Efforts to be taken to ensure the project complies with Housing First Practices (WIC Code, 8255 (b));
8. Description of services to be offered, frequency of services that will be offered or provided depending on the nature of the services, who is anticipated to be providing the services and location and general hours of availability of services;
9. For services provided off-site, plan must describe what public or private transportation options will be available to NPLH tenants to provide them reasonable access to services. Reasonable access is access that does not require walking more than ½ mile;
10. Description of how services are culturally and linguistically competent for person of different races, ethnicities, sexual orientations, gender identities, and gender expressions. This includes explaining how services will be provided to NPLH tenants, and their families, who do not speak English, or have other communication barriers, including sensory disabilities, and how communication among the service providers, the property manager and these tenants will be facilitated;
11. Service provider and property manager communication protocols;
12. Description of how the physical design of the Project fosters tenant engagement, onsite supportive service provision, safety and security, and sustainability of furnishings, equipment, and fixtures: and;
13. Other information needed by HHS to evaluate the supportive services to be offered are consistent with the NPLH guidelines.

T. Insurance

Specific insurance requirements will be provided based on the final scope of work for an approved NOFA submission. (Refer to Attachment F).

U. Lead-Based Paint Compliance

Proposals involving buildings constructed prior to 1978 may be adversely affected by strict regulations requiring the remediation/removal of lead-based paint and asbestos-containing building materials, making rehabilitation of older buildings infeasible in some cases. Lead-based paint regulations, effective September 15, 2000, appear in [24 CFR §35](#). Further information on lead-based paint hazard reduction can be obtained from the [HUD Office of Lead Hazard Control and Healthy Homes](#).

V. Location Map and Plans

Developers must provide a location map, site plan, floor plan and project renderings/photos. NPLH assisted units must be integrated with other units in the proposed development and not separated into separated floors or areas of the building.

W. Management Plan

The developer will be required to submit a Management Plan for review and approval. If applying for NPLH funds, the developer's attention is called to NPLH program regulations, which require certain tenant protections for all rental housing funded by the NPLH program and to the HHS requirement for a crime-free element in the Management Plan. A copy of the sample lease agreement and any addenda are also required. (Refer to Attachment E).

X. Market Study

Developer must submit a market needs study that examines neighborhood market conditions to ensure adequate need for the project for which funds are to be used. The market assessment should include the following: market trends, market area, demand, supply and a competitive analysis.

Y. Monitoring

1. On-site physical assessments of project will take place during construction, at Project completion, and at least once every 3 years during the term of the affordability period.
2. Annual review of project operating budgets, audits or other certified financial statements will be required. Projects that receive a COSR must submit a bifurcated annual audit. This audit must distinguish actual annual income and expenses of NPLH assisted units that receive capitalized operating subsidies from those units that do not receive subsidies
3. Annual review of supportive services plans and outcome measures to ensure supportive services being offered are the most appropriate and effective for NPLH tenants and their families.

Z. Operating Reserves:

Developer shall establish an operating reserve for the purpose of defraying operating shortfalls resulting from HHSA- approved Operating Expenses exceeding Operating Income beyond the rent-up period.

1. Withdrawals from the operating reserve shall require prior written approval of the HHSA. Should HHSA fail to take action on a request for an eligible withdrawal from the operating reserve within 30 days from documented receipt of the request, that request shall be deemed approved.
2. The initial deposit to the operating reserve shall be funded from development funding sources in an amount determined by HHSA, which will be not less than the total of the following: four (4) months of projected Operating Expenses (excluding the cost of on-site Supportive Services coordination), four (4) months of required replacement reserve deposits, and four (4) months of non-contingent debt service. For projects with tax credits, the requirement shall be three (3) months of these items. In setting the initial funding requirement, HHSA will consider factors including, but not limited to the projected level of Project cash flow, the adequacy of the operating budget, Project location, local market characteristics, the number of sites, and Project design.
3. Developer shall fully replace any withdrawals from the Operating Reserve, up to the minimum initial deposit amount specified in subsection (b) above, as may be modified in accordance with subsection (d) or (e) below, using available cash flow prior to use of any cash flow to pay deferred Developer Fee, partnership management or similar fees, or Distributions.
4. In the absence of some extraordinary occurrences, such as litigation affecting the project or construction defects, and upon occurrence of both of the following events, HHSA will reduce the required minimum balance: (i) operation at a debt service coverage ratio of 1.15 or greater for 5 years; and (ii) operation at an Operating Expense coverage ratio of 1.08, where Operating Expense ratio is defined to equal effective gross income, less required replacement reserve deposits and non-contingent debt service, divided by total Operating Expenses, not including the approved cost of Supportive Services coordination.
5. HHSA may agree with other financing sources to allocate authority regarding amounts deposited into or withdrawn from the Operating Reserve, where HHSA determines that such arrangement would not jeopardize the fiscal integrity of the Project and the minimum reserve requirements would be maintained. For Projects subject to direct federal loan or grant programs, including the Native American Housing Assistance and Self Determination Act programs, or receiving a permanent loan from the California Housing Finance Agency (CalHFA), HHSA may also defer to

the operating reserve requirements of these agencies during the time such projects are regulated by a federal agency or CalHFA, and not require deposits in the amounts specified in subsection (b).

6. Where all Project development funding sources are legally precluded from using their funds to capitalize the operating reserve as required by subsection (b), the Developer may fund this account out of Operating Income, provided that cash flow is sufficient to reasonably ensure that the required balance can be accumulated within six years of initial occupancy.

In no event shall this reserve balance be used to fund limited partner exit costs, except for amounts more than the reserve balance required by HHSa.

AA. Partnership Agreement

As applicable, developer must provide partnership agreements entered into for the development.

BB. Physical Needs Assessment

Proposals involving rehabilitation or acquisition/rehabilitation must contain specific information on the physical condition of the structure(s), as well as the estimated cost for the rehabilitation work, and may require testing of major building systems. A Physical Needs Assessment (PNA) conducted by an independent third party must be submitted for proposals involving rehabilitation activities. The PNA must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years and the estimated cost for the rehabilitation work. Developers are encouraged to obtain a PNA prior to making a final offer for purchase of a property. To avoid delays, developers must provide a termite report for any acquisition project. In addition, testing for asbestos, residual pesticides, mold and water damage may be required.

CC. Preliminary Title Report

Developer must provide a preliminary title report.

DD. Prevailing Wage Rates

This project is covered by the Prevailing Wage Law (Labor Code sec. 1720, et seq.) It is the contractor's responsibility to abide by the apprenticeship requirements under that law.

EE. Priorities and Underwriting Criteria

The proposed financing structure and operating pro forma will be evaluated to determine feasibility during the affordability period. Projects proposing the use of Low-Income Housing Tax Credits shall demonstrate financial feasibility for a minimum 30-year term.

Loan terms/underwriting are subject to change at HHSa's sole discretion. HHSa reserves the right to impose additional and/or revised conditions in the final documentation of the transaction and as are reasonably necessary to protect the interests of HHSa and fulfill the intent of this NOFA.

FF. Project Location

1. NPLH-only funded developments may be located within the San Diego County region.
2. Projects that receive through this NOFA approval for funding from more than one program must be located in those areas that are eligible for all funding programs.

GG. Property Management Plan

Proposed developers must submit a Property Management plan that details the following:

1. Proof of low-barrier tenant selection process that prioritizes those with the highest needs for available housing;
2. Implements Housing First best practices, consistent with the core components set forth in Welfare and Institutions Code Section 8255 (b);

3. Implements policies and practices to prevent evictions and facilitates the implementation of reasonable accommodates policies and practices; and
4. Outlines Affirmatively Further Fair Housing policies and procedures.

HH. Rehabilitation Estimate

All HHSAs-funded developments involving acquisition must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years. Testing of major building systems may be required. Developers must obtain a Preliminary Cost Estimate prior to making a final offer for purchase of a property.

II. Rehabilitation Standards

Rehabilitation activities must conform to the local written Rehabilitation Standards of the County of San Diego found in Attachment H. Developments proposed for rehabilitation will be underwritten based on the number of NPLH tenants the development will house upon completion of the rehabilitation. These can be vacant units or units currently occupied with tenants qualifying under Section 206 of the NPLH Program Guidelines.

JJ. Relocation Noticing

Upon submission of the NOFA application, tenants (residential or commercial) must receive a written General Information Notice, (see Attachments I1 – I2) notifying tenants of their rights under the Uniform Relocation Act, as revised. New rental developers to the proposed project must also receive a written notification “Notice to Prospective Tenant” (refer to the sample in Attachment I4) informing them of the proposed acquisition/rehabilitation of the property. All notices must be hand delivered or sent via U.S. Certified Mail. Developer must document the manner of delivery and provide delivery receipts.

KK. Relocation Plan

NOFA applications involving relocation of residents (residential or commercial) shall include an anti-displacement/relocation plan in compliance with relocation laws. Developers are strongly encouraged to contract with a relocation consultant to manage the relocation process. The California Relocation Assistance Act or Uniform Acquisition and Relocation Act of 1970 (URA), as revised, and Section 104(d) of the Housing and Community Development Act of 1974, as amended, may apply. Proposed relocation plans must budget for all relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Relocation Plans must include a current copy of rent paid per household in the proposed project.

LL. Replacement Reserve Analysis

An adequate 15-year replacement reserve analysis will identify the current condition of all building elements in the development (the roof, plumbing, exterior, interior, etc.) and indicate any repairs that may require immediate attention. The analysis should indicate the year built, the expected useful life of the system, the remaining life expectancy and the year requiring replacement. The analysis should indicate the estimated annual expenditures required to maintain the property and provide a funding plan summarizing the annual replacement reserve contribution necessary to meet future expenditure requirements.

1. All units in the development must meet the new construction or rehabilitation replacement reserve underwriting standards, not just the HHSAs NPLH-assisted units. For all rehabilitation developments, HHSAs underwriting standards require that developers budget a minimum of \$500 per unit, per year in the replacement reserve. For all new construction or conversion developments, the initial amount of annual deposits to the replacement reserve shall be equal to at least the lesser of 0.6% of estimated construction costs associated with structures in the development, excluding construction and general contractor profit, overhead, and general requirements, or \$500 per unit.

HHSA may approve a different amount based on the results of a third-party reserve analysis, which it may require, or other reliable indicators of the need for replacement reserve funds over the initial 20 years of operation, or, in the case of transactions involving restructuring of existing HHSA loans, 20 years of operations after the restructuring.

2. For rehabilitation Projects, the initial amount of annual deposits to the replacement reserve account shall be determined by HHSA based on the results of a third-party physical needs assessment or other reliable indicators of the need for replacement reserve funds over the initial 20 years of operation. In its initial underwriting, in the absence of an approved physical needs assessment or other reliable indicators of the need for replacement reserve funds, HHSA may assume that the initial amount of annual deposits shall be \$500 per unit.
3. HHSA may periodically adjust the amount of required deposits to the replacement reserve for a Project based on the results of reserve analysis or other reliable indicators of the need for replacement reserve funds over time.
4. HHSA may agree with other financing sources to allocate authority regarding amounts deposited into or withdrawn from the replacement reserve, where HHSA determines that such arrangement would not jeopardize the fiscal integrity of the Project and the minimum reserve requirements would be maintained. For Projects subject to direct federal loan or grant programs, including Native American Housing Assistance and Self Determination Act programs, or receiving a permanent loan from CalHFA, HHSA may also defer to the replacement reserve requirements of these agencies during the time such projects are regulated by a federal agency or CalHFA.
5. If HHSA requires a reserve analysis because HHSA determines the reserve is inadequate due to annual replacement costs exceeding or being reasonably likely to exceed the amounts deposited to the reserve, or due to a request by the Developer to adjust the required reserve amount, the analysis must result in a due diligence report that examines the current physical conditions at property(ies), specifies repairs or replacements needed immediately, and budgets for the long-term capital repair and replacement needs during the life of an asset, such as the results of using the Capital Needs Assessment eTool, developed by the U.S. Department of Housing and Urban Development.

MM. Tax Credit Application (if applicable)

Developers must provide copies of the Tax Credit application and note the date of submission. Funds awarded to Developers applying for Tax Credits shall be reserved for three tax credit application rounds. If Tax Credits are not awarded after third attempt, HHSA has the right to withdraw NPLH loan commitment.

NN. Tenant Characteristics Form

If the proposed development is currently occupied, a Tenant Characteristics Form is required to determine the extent of relocation. (Refer to Attachment I).

OO. Timeline for Closing and Loan Distribution of Funds

Time is of the essence to commit and expend funds. Upon approval of award, funds will be reserved for the project for a maximum of twenty-four (24) months or three (3) tax credit application rounds but may be withdrawn earlier if satisfactory progress is not demonstrated.

Recipients of NPLH funds will be required to execute a Promissory Note, Deed of Trust, Regulatory Agreement, and other related loan and construction documents. Loan funds will not be disbursed until the loan is closed through escrow and, if the proposal includes relocation of residents or businesses, the developer's relocation consultant has submitted a Relocation Plan and has issued all appropriate Uniform Relocation Act required notices and any other informational requirements to all existing tenants. Loan funds will be disbursed for work completed following approval in a form prescribed by HHSA. Fund control may be required by HHSA. Verifiable documentation of expenses must be submitted with all payment requests.

HHSA reserves the right to reallocate NPLH funds from one approved project to another or to new activities, or to cancel fund reservations at its discretion, if projects are not proceeding satisfactorily (in the sole opinion of HHSA) towards commencement of the proposed activity. As outlined elsewhere, displacement, prevailing wages, environmental review, as well as other program requirements may apply.

PP. Title Insurance

A California Land Title Association (CLTA) or an American Land Title Association (ALTA) policy insuring the County of San Diego is required.

QQ. Vacancy Rate

Stabilized vacancy rates for NPLH Assisted Units receiving COSR shall be assumed to be 10 percent, unless use of a lower or higher rate is required by another funding source, including TCAC, or is supported by compelling market or other evidence.

Commercial vacancy rates shall be assumed to be 50 percent except HHSA may use the vacancy loss assumption of the Project's senior lender or equity investor under either of the following circumstances:

1. Where the commercial income is guaranteed by the Developer through a long-term master lease and the amount of the Developer's annual master lease payment is both:
 - a. Less than 1 percent of the Developer's cash and cash equivalent current assets; and
 - b. Less than or equal to the projected commercial income, as evidenced by a market study or appraisal commissioned by the first lien lender or equity investor, and reflected in the final pro forma approved by the first lien lender or equity investor; or
2. Where the Commercial Space has been leased to a national or regional firm widely recognized by the general public, and the term of the lease extends at least 5 years past the projected date of construction completion.

RR. Voluntary Acquisition Notice

A Voluntary Acquisition Notice (refer to Attachment I3) must be delivered to the seller of the property prior to making an offer, entering into a purchase agreement, and submittal of the NOFA application. Evidence of the manner and proof of delivery must be included with the NOFA application.

SS. Zoning

At the time of application, developer must demonstrate that the project site's zoning will permit the scope of development as proposed. If not possible, developer must demonstrate that all discretionary land use approvals can be granted within 120 days of the application submittal or prior to taking a funding recommendation forward.

TT. Pre-Construction Conference

A "pre-construction conference" will be held with the bid winning contractor and sub-contractors following contract award and before commencement of construction. The pre-construction conference must announce that Federal Labor Standards and State Prevailing Wage requirements apply, and that contractors must submit copies of weekly payrolls to the assigned project manager for verification that appropriate wage rates were paid. The project administrator must promptly review all such payrolls upon receipt, sign and date the payroll following verification and maintain such payrolls on file for review during monitoring visits. Minutes of the pre-construction conference that document the discussion of federal regulations must be kept in the project files.

CERTIFICATION

The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.

Authorized Signature

Typed Name

Title

Date Signed

Return one scanned PDF copy submitted on a **USB** drive, one signed original and four full copies (each in a three-ring binder) of the NOFA General Application and Attachments to:

**Housing and Community Development Services
County of San Diego
Attn: Community Development
3989 Ruffin Road
San Diego, CA 92123-1815**

NPLH NOFA ATTACHMENTS

ATTACHMENT A

NPLH PROGRAM BASICS

This information is highly abridged. Developers are responsible for reviewing and adhering to the complete NPLH program regulations found at: <http://hcd.ca.gov/grants-funding/active-funding/nplh.shtml>. The summary that follows intends to highlight key components of the NPLH funding. If there are any discrepancies between this summary and the applicable State of California HCD regulations, developers must comply with the State of California HCD regulations.

USE OF NPLH FUNDS

HHSA may only invest its NPLH funds in eligible projects within its boundaries, or in jointly funded projects within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions. NPLH funds may be used to capitalize operating subsidy reserves for NPLH assisted units. Funds may be provided as pre-development or post construction permanent financing. Capital funds for eligible uses in Projects of five or more units shall be provided in the form of a deferred payment loan that shall have an initial affordability period of 55 years or longer commencing on the date of recordation of the regulatory agreement. The loan may bear an interest rate of zero percent.

A subsidy layering analysis shall be conducted to ensure the level of funds requested is necessary and reasonable, based on the number of NPLH units in comparison to the non-NPLH units. The following chart lists the current allowable NPLH per unit loan amounts:

County of San Diego NPLH- 2018 MTSP Per Unit Loan Limits (with 9% Tax Credits)					
AMI	Efficiency	1BR	2BR	3BR	4BR
30% AMI	\$128,923	\$128,923	\$128,923	\$128,923	\$128,923
25% AMI	\$214,919	\$220,969	\$239,407	\$256,549	\$271,242
20% AMI	\$227,163	\$234,078	\$255,108	\$274,699	\$291,552
15% AMI	\$239,551	\$247,330	\$270,954	\$292,993	\$311,863

County of San Diego NPLH – 2018 MTSP Per Unit Loan Limits (without 9% Tax Credits)					
County	Efficiency	1BR	2BR	3BR	4BR
30% AMI	\$180,492	\$180,492	\$180,492	\$180,492	\$180,492
25% AMI	\$266,488	\$272,538	\$290,976	\$308,118	\$322,811
20% AMI	\$278,732	\$285,647	\$306,677	\$326,268	\$343,121
15% AMI	\$291,120	\$298,899	\$322,523	\$344,562	\$363,432

NPLH CAPITALIZED OPERATING SUBSIDY RESERVE

Projects may include a Capitalized Operating Subsidy Reserve to address Project operating deficits attributable to NPLH assisted units, allowable under NPLH Guidelines.

- a. Not more than 100 percent of the total amount provided per-assisted unit for capital may be provided for a COSR to address Project operating deficits attributed to NPLH assisted units.
- b. To be eligible to receive a COSR Developer must prove that:
 - i. All possible federal, state, and local sources of rental assistance and other operating assistance to support the NPLH assisted units have been identified;
 - ii. Applications or other written request to the appropriate entities to secure Project-based rental or other operating assistance to support the NPLH Assisted Units have been made; or
 - iii. Other evidence from the appropriate entities has been provided that rental assistance and other operating assistance is not available to support the NPLH Assisted Units.
- c. COSR may be provided in the form of a zero percent interest forgivable loan with a term of not less than 20 years as evidenced by a Promissory Note and secured by a Deed of Trust.
- d. The COSR shall be sized to cover anticipated operating deficits attributable to the NPLH assisted units for a minimum of **20** years. The total amount of a Project COSR will be determined based upon the individual Project underwriting performed by HHSA. HHSA may modify these assumptions as necessary to maintain project financial feasibility or extend the term of the COSR.
 - i. In determining how to size Project COSRs, HHSA shall also consider such things as: (a) the maximum percentage of units it will assist per Project; (b) anticipated Project vacancy rates; (c) the anticipated percentage of NPLH assisted units that will have other operating or rental subsidy and the term of that operating or rental subsidy contract; (d) the anticipated percentage of households that are expected to be receiving SSI/SSP or other sources of stable income; and (e) operating expenses that HHSA will consider ineligible for payment from the COSR.
- e. HHSA shall hold each Project COSR in a segregated interest-bearing account for the benefit of the Project's NPLH Assisted Units for as long as funds remain in the COSR, but for not less than 20 years.
- f. HHSA shall establish procedures for disbursement of amounts from the COSR to the Project based on the results of an independent bifurcated audit between NPLH Assisted Units and the other Project Units prepared by a certified public accountant which establishes the amount of Project operating deficit, if any, attributable to the Assisted Units.
- g. HHSA shall review each COSR balance, annually, to determine if adjustments need to be made to disbursement levels to ensure the long-term sustainability of each COSR.
- h. COSR Funds shall **not** be used to pay:
 - Amortized debt service payments
 - Ground lease payments
 - Asset Management Fees
 - Operating costs of any units not being supported by COSR

- Operating expenses of any NPLH Unit for which Developer did not apply for and receive a COSR award.
- Distributions
- Residual Receipt payments, monitoring, or servicing fees owed to other lenders
- Balloon payments on other loans.
- Other costs not approved by HHSA

OPERATING BUDGETS

HHSA will review annual operating budgets of funded developments to ensure budget line items, including any proposed rent increases, are reasonable and necessary considering costs of comparable Permanent Supportive Housing projects and prior year budgets.

SITE AND NEIGHBORHOOD STANDARDS

HHSA provides NPLH funds for housing that furthers compliance with civil rights laws and that promotes greater choice of housing opportunities. Proposed development sites of projects involving new construction of rental housing must meet site and neighborhood standards prior to a funding commitment. Additionally, proposed development must be on a permanent foundation and meet all applicable State and local requirements pertaining to rental housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.

PROPERTY STANDARDS

Housing that is newly constructed with NPLH funds must meet applicable state and local codes, ordinances, and zoning requirements. NPLH-assisted new construction projects must meet state or local residential and building codes, as applicable or, in the absence of a state or local building code, the International Residential Code or International Building Code (as applicable to the type of housing) of the International Code Council. The housing must meet the applicable requirements upon project completion. In addition, the following apply:

- a. Projects with 5 or more units must meet the accessibility requirements specified in TCAC regulations, as may be amended and renumbered from time to time, including those of Section 10325(f)(7)(K) and, for senior Projects, those of Section 10325(g)(2)(B) and (C). Projects must provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with Section 10337(b)(2) of the TCAC regulations. All Projects must ensure any other applicable state, federal, state and local accessibility requirements are met.
- b. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding and wildfires), in accordance with state and local codes, ordinances or other state and local requirements.
- c. The construction contract(s) and construction documents must describe the work to be undertaken in adequate detail so that thorough inspections can be conducted. HHSA will review and approve written cost estimates for construction and determine whether costs are reasonable.
- d. HHSA must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract and construction documents.

NPLH rehabilitation standards set forth the requirements the housing must meet upon project completion. HHSA's standards detail required rehabilitation work, including methods and materials. The standards address the following:

- a. Identification of life-threatening deficiencies (must be addressed immediately in occupied housing).
- b. Major systems, such as structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding and gutters); plumbing; electrical; and heating, ventilation, and air conditioning. The standards require an estimate (based on age and condition) of the remaining useful life of these major systems, upon project completion of each major system. For multi-family housing projects of 26 units or more, the standards require determination of the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, the standards require a replacement reserve and monthly payments made to the reserve that are adequate to repair or replace the system(s) as needed. All units in the development must meet the new construction or rehabilitation reserve underwriting standards, as outlined in this NOFA.
- c. The standards must require the housing to meet the lead-based paint requirements at [28 CFR §35 and §36](#).
- e. Projects with 5 or more units must meet the accessibility requirements specified in TCAC regulations, as may be amended and renumbered from time to time, including those of Section 10325(f)(7)(K) and, for senior Projects, those of Section 10325(g)(2)(B) and (C). Projects must provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with Section 10337(b)(2) of the TCAC regulations. All Projects must ensure any other applicable state, federal, state and local accessibility requirements are met.
- d. Where relevant, the standards must require the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding and wildfires) in accordance with state and local codes, ordinances and requirements.
- e. The standards must require the housing to meet all applicable state and local codes, ordinances and requirements or, in the absence of a state or local building code, the International Existing Building Code of the International Code Council.
- f. The standards must be such that, upon completion, the NPLH-assisted project and units will be decent, safe, sanitary and in good repair.
- g. For multi-family rental housing projects of 26 or more total units, HHSA must determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project through a capital needs assessment of the project.
- h. HHSA must ensure that the work to be undertaken will meet the rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance with the standards. HHSA must review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.
- i. HHSA must conduct an initial property inspection to identify the deficiencies that must be addressed.
- j. HHSA must conduct progress and final inspections to determine that work was done in accordance with work write-ups.

Existing housing that is acquired with NPLH assistance for rental housing that was newly constructed or rehabilitated less than 12 months before the date of commitment of NPLH funds, must meet the property standards noted above for new construction and rehabilitation projects. HHSA must document this compliance based upon a review of approved building plans and Certificates of Occupancy, and an inspection that is conducted no earlier than 90 days before the commitment of NPLH assistance. All other existing housing that is acquired with NPLH assistance for rental housing must meet the rehabilitation property standards requirements above. HHSA must document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of NPLH assistance. If the property does not meet these standards, NPLH funds cannot be used to acquire the property unless it is rehabilitated to meet the standards noted above.

NPLH-ASSISTED UNITS

The total amount of Program funds awarded shall not exceed the eligible costs associated with NPLH assisted units. In determining these costs, the cost allocation rules in 25 CCR Section 7304 (c) shall apply, but the term “restricted unit” in such section shall be deemed to refer to “NPLH assisted units.”

Funded projects must encourage social interaction through community-building activities, and architectural design as feasible depending on the scope of the construction or rehabilitation activity.

NPLH AFFORDABILITY REQUIREMENTS

NPLH-assisted units must be affordable at initial occupancy and over an established “affordability period.” The affordability period applies to the Development, as a whole, and is not limited to NPLH assisted units. Proposed developments will be reviewed for long term financial feasibility for the period of affordability based on underwriting standards set forth by HHSA.

OCCUPANCY, INCOME, and RENT LIMIT REQUIREMENTS

Occupancy of all NPLH assisted units shall be restricted to households with at least one member who qualifies as a member of the eligible population. Total household income at time of move-in shall not exceed the 30 percent AMI as published by the State of California HCD. Income determination shall be made in accordance with the requirements in 25 CCR Section 6914 and 25 CCR Section 6916. Income levels shall be expressed in five percent increments as a percentage of AMI.

For NPLH assisted units, if at the time of recertification, a tenant household’s income exceeds the 30 percent AMI income level and this increase is based solely on the current SSI\SSP payment rate or cost-of-living adjustment, the household rent shall not exceed 30 percent of household income. These units shall continue to be designated as NPLH assisted units.

For NPLH assisted units, if at the time of recertification, a tenant household's income exceeds the 30 percent AMI income level and this increase is based on factors other than or in addition to the current SSI/SSP payment rate or cost-of-living adjustment, to the extent a rent increase for the household is permitted by statutes and regulations governing the Project’s other financing sources, the owner:

- a. Shall re-designate the tenant’s unit as a unit at the higher income level, rounding to the nearest five percent increment, provided that there are non-Assisted units restricted at the higher income level. These units shall not be designated as NPLH assisted units;
- b. Shall increase the tenant’s Rent to the level applicable to units at the higher income level; and

- c. Shall designate the next available comparable non-Assisted unit as a NPLH assisted unit at the income level originally applicable to the household until the unit mix required by the Program regulatory agreement is achieved.

If all the Project units are NPLH assisted units, that Project can continue with the over-income unit (s) until such time as those over-income households no longer reside in the Project.

A unit shall be deemed “comparable” if it has the same number of bedrooms and reasonably similar square footage as the original unit.

For NPLH assisted units, if at the time of recertification, a tenant household’s income exceeds the income limit designated for the household’s unit but does not exceed the limit for a higher income level applicable to new NPLH tenants, the Developer may increase the household’s Rent to an amount not exceeding the closest Rent limit applicable to the household’s income level at the time of recertification.

Projects shall maintain documentation of tenant eligibility consistent in all the following ways, as applicable:

- a. Documentation of a Serious Mental Disorder or a Seriously Emotionally Disturbed Child or Adolescent must be provided by a qualified mental health worker in accordance with the requirements of WIC Section 5600.3.
- b. Documentation of a person’s status as Homeless, Chronically Homeless, or At-risk of Chronic Homelessness as defined under these Guidelines must be provided in accordance with procedures established through the local CES or other procedures established by HHS for determining whether a person qualifies as Homeless, Chronically Homeless, or At-risk of Chronic Homelessness.
- c. In no event shall a person be required to be a client of the County Behavioral Health department or a recipient of mental health or other services in order to qualify for or remain in an NPLH assisted unit.
- d. These occupancies, income, and rent limit requirements shall apply for the full term of the Program loan.

UTILITY ALLOWANCES

Utility allowances are allowable in pursuant to and in accordance with TCAC regulations, as applicable. For Projects leveraging Federal Funding, a new provision at §92.252(d) will require HHS to determine an individual utility allowance for each rental project, either (1) by using the HUD Utility Schedule Model, or (2) by otherwise determining the allowance based upon the specific utilities used at the project. Upon issuance of HUD guidance, this new provision will apply. The HUD Utility Schedule Model was developed by HUD and enables the user to calculate utility schedules by housing type after inputting utility rate information. The IRS uses this model to determine utilities for the LIHTC program.

The model can be found at: <http://huduser.org/portal/resources/utilmodel.html>. As more projects are constructed or rehabilitated to higher energy-efficiency standards, the use of a standard utility allowance may not represent actual utility costs and is difficult to justify. Until HUD instructs HHS otherwise, NPLH grantees are still permitted to use a single utility allowance (such as that established by the local Public Housing Authority) for every NPLH-assisted rental project.

NPLH-ASSISTED UNIT RESTRICTIONS

The affordability period for HHSAs projects is 55 years. Tenant incomes and rents are strictly controlled during the affordability period. Owners are required to examine tenant incomes annually to ensure that tenants meet the NPLH income requirements. The rent and occupancy restrictions will be incorporated into a regulatory agreement and will bind the project for the full term of the regulatory agreement regardless of prepayment, sale or transfer. To be effective, affordability restrictions will be recorded in the regulatory agreement.

Leases are required for all NPLH-assisted rental units, consistent with §92.209(g). The lease term must be for a period of at least one year, unless a shorter period is mutually agreed upon.

INCOME DETERMINATIONS

Income determination shall be made in accordance with the requirements of 25 CCR Section 6914 and 25 CCR Section 6916. Income levels shall be expressed in five percent increments as a percentage of AMI.

The following rules will apply to determine tenant income:

- Examination of at least two months of source documentation (e.g., wage statements, interest statements or unemployment compensation documentation) is required to determine household income for all potential NPLH beneficiaries.
- Either the income definition in HUD's regulations at [24 CFR §5](#) (often referred to as "the Section 8 definition") or the definition of adjusted gross income of the IRS must be used.
- A single definition of income must be used for each NPLH-assisted rental housing project to ensure equitable treatment for all developers.
- When determining the annual income of a household to establish eligibility for NPLH assistance, the income of *all* persons in the household must be counted, including nonrelated individuals.

PROPERTY INSPECTION REQUIREMENTS

Projects must be inspected during construction, at project completion and throughout the affordability period to ensure that the units meet the required property standards set forth in 25 CCR Section 8304. On-site inspections must occur within 12 months after project completion and at least once every 3 years thereafter during the period of affordability. For projects with one-to-four NPLH-assisted units, the participating jurisdiction must inspect 100 percent of the NPLH-assisted units and the inspectable items (site, building exterior, building systems and common areas) for each building housing NPLH-assisted units.

LOW-INCOME TAX CREDIT AND NPLH

Qualified LIHTC units must not exceed LIHTC rent limits. *Combining NPLH and tax credit affects rental properties in various complex ways and developers are urged to consult a subject expert prior to submitting their proposal.* NPLH loan funds will be reserved only for the longer of up to twenty-four (24) months or three (3) tax credit application rounds. HHSA reserves the right to cancel its funding reservation if the HHSA loan has not closed escrow by the end of the twenty fourth month or third tax credit rounds period. Fund reservation time extensions may be granted at the sole discretion of HHSA. NPLH funding is contingent upon the developer obtaining commitments from all other necessary sources of funding.

REQUIREMENT OF TRANSITION RESERVES

Projects shall have a transition reserve in an amount established by HHSA in the event that any Project-based rental assistance is not renewed, or in the event that the Project COSR (if applicable) or other operating subsidy is exhausted, and the Project cannot secure sufficient other rental or operating subsidies to continue without immediately raising rents on the NPLH assisted units.

The minimum amount of the transition reserve for renewable Project-based rental assistance shall be the amount sufficient to prevent rent increases for one year following the loss of the rental assistance. The minimum amount of the transition reserve for non-renewable Project-based rental assistance or operating subsidies shall be the amount sufficient to prevent rent increases for two years following the loss rental assistance.

If rent increases on the NPLH assisted units are necessary after exhausting all transition reserve funds such increases shall only be permitted to the minimum extent required for financial feasibility, as determined by HHSA. In addition, rents on NPLH assisted units shall not, in any event, be increased to an amount in excess of 30 percent of 50 percent of AMI, adjusted by number of bedrooms.

The Owner shall notify HHSA, 18 months in advance, of any rent increases on the NPLH assisted units due to exhaustion of the transition reserve.

If rent increases on the NPLH assisted units are necessary due to loss of rental or operating assistance, if it is determined that NPLH tenants will need to move after exhausting all transition reserve funds, a transition plan shall be implemented to identify other permanent housing options that may be more affordable to NPLH tenants who cannot afford the increased rent, and to assist those persons in accessing other available housing. Funds from the transition reserve may be used for these expenses.

FEES CHARGED BY PROJECT OWNERS

Project owners may not charge fees to tenants that are not reasonable or customary, such as a monthly fee for access to laundry facilities. Fees that are allowable include parking fees in neighborhoods where such fees are customary and the cost of non-mandatory services such as meal or bus service (as long as the services are voluntary). The use of services by residents may not be imposed on a mandatory basis. NPLH requires that supportive services are made available on a voluntary basis.

RENTAL COMPLIANCE MONITORING FEES

HHSA will charge fees to cover the cost of ongoing monitoring and physical inspection of NPLH projects during their 55-year period of affordability. Compliance and monitoring fees must be included in the cost of the project as part of project underwriting. An initial compliance monitoring fee of \$4000 will be due and payable to HHSA at the time of initial occupancy. Subsequent payments will be due on the anniversary date of initial occupancy and the monitoring compliance fee will increase annually at a rate of one percent. Failure to submit annual payments will result in a Notice of Default being issued by HHSA.

PROJECT COMMITMENT AND COMPLETION

Commitment of NOFA NPLH funds is defined as full execution of the HHSA loan documents. HHSA will not commit NPLH funds to a new construction or rehabilitation project until:

1. All necessary financing is secured.
2. A budget and production schedule are established. Use of NPLH funds must be clearly identified by line item.
3. Underwriting and subsidy layering reviews are completed.
4. Market assessment is completed.
5. All required Environmental Reviews (CEQA, NEPA) are completed
6. Assessment of the experience and financial capacity of the developer is completed.
7. Construction is expected to start within 18 months from execution of loan documents.

ATTACHMENT B

SAMPLE BOARD RESOLUTION LETTER

[Letterhead of Developer]

**A RESOLUTION OF THE BOARD OF _____ GRANTING
AUTHORIZATION TO APPLY FOR FUNDING UNDER THE NO PLACE LIKE HOME PROGRAM**

WHEREAS, this entity has a minimum of four directors who constitute a quorum for conducting organization business, the organization conducts at minimum quarterly board meetings, quarterly financial statements are reviewed by the board, and the executive director and other paid staff do not serve as voting board members;

WHEREAS, _____ is a _____ [Status of Corporation, i.e. A Non-profit Public Benefit Corporation, qualified pursuant to the provisions of Internal Revenue Code Section 501 (c)(3), etc.];

WHEREAS, _____, recognizes that the community at large, and especially low-income residents have many diverse needs for social, housing, education and other services;

WHEREAS, _____, is committed to effectively serving the communities referenced in the prior recital; and

NOW THEREFORE BE IT RESOLVED as follows:

1. That _____ is committed to providing safe, decent and affordable housing for persons of very low-, low- and moderate-income levels;
2. That on or about _____ 201_____, the Board of Directors voted to authorize the _____ [title of person authorized], or his designee, to apply for and accept assistance of the Project located at _____ [address], for the purpose of obtaining financing for the _____ [purpose, i.e. acquisition, rehabilitation, refinancing, tenant relocation, construction, etc.] of the Project, in an amount not to exceed __ (\$_____) from the County of San Diego, Housing and Community Development Services.
3. That the Board of Directors further voted to authorize the _____ [title of person], or his designee, to execute any and all documents required by the County of San Diego, Housing and Community Development Services, including, without limitation, the Promissory Note, the Deed of Trust, the Regulatory Agreement, Escrow Instructions, and any and all other documents requested by the County of San Diego, Housing and Community Development Services, to document and secure its loan.
4. That the Board of Directors further authorized the _____ [title of person], or his designee, to perform all acts and to do all things necessary, in the opinion of the County of San Diego, Housing and Community Development Services to implement the funding and making of the Loan.

I, the undersigned, certify that this Resolution was adopted at regularly or specially noticed meeting of the Board of Directors on _____, 201_____, at which a quorum of the Board of Directors was present, and at which the requisite percentage of the quorum voted to adopt the Resolution and that the Resolution has not been rescinded, modified or canceled as of the date of my execution of the same and that it remains in full force and effect as of this date. I further understand that the County of San Diego, Housing and Community Development Services is relying on the validity of this Resolution in taking the actions to process and approve the application.

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 201_____, at San Diego, California.

By: _____

Title: _____

ATTACHMENT C

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 12/31/2018)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
	1d. Census Tract	
	1e. Housing/Expanded Housing Market Area	
1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address		
1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address		
1h. Entity Responsible for Marketing (check all that apply) <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> Owner Agent Other (specify) </div> Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address		
1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.		
2a. Affirmative Fair Housing Marketing Plan Plan Type _____ Date of the First Approved AFHMP: _____ Reason(s) for current update: _____		
2b. HUD-Approved Occupancy of the Project (check all that apply) <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> Elderly Family Mixed (Elderly/Disabled) Disabled </div>		
2c. Date of Initial Occupancy	2d. Advertising Start Date Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects. Date advertising began or will begin _____ For existing projects, select below the reason advertising will be used: <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> To fill existing unit vacancies _____ To place applicants on a waiting list (which currently has _____ individuals) To reopen a closed waiting list (which currently has _____ individuals) </div>	

3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)

White	American Indian or Alaska Native	Asian	Black or African American
Native Hawaiian or Other Pacific Islander		Hispanic or Latino	Persons with Disabilities
Families with Children	Other ethnic group, religion, etc. (specify)		

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts
Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising
Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office	Real Estate Office	Model Unit	Other (specify)
---------------	--------------------	------------	-----------------

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office	Real Estate Office	Model Unit	Other (specify)
---------------	--------------------	------------	-----------------

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office	Real Estate Office	Model Unit	Entrance to Project	Other (specify)
---------------	--------------------	------------	---------------------	-----------------

The size of the Project Site Sign will be

The Equal Housing Opportunity logo or slogan or statement will be

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
- (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

- (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
- (5) If yes, how and how often?

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

- (2) What staff positions are/will be responsible for tenant selection?

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only	
Reviewing Official:	Approval	Disapproval
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)	
Name (type or print)	Name (type or print)	
Title	Title	

ATTACHMENT D

San Diego County Income Limits Effective April 1, 2018 Area Median Income (AMI) \$81,800								
AMI	Household Size							
	1	2	3	4	5	6	7	8
30% of AMI	\$20,460	\$23,370	\$26,280	\$29,190	\$31,530	\$33,870	\$36,210	\$38,550
25% of AMI	\$17,050	\$19,475	\$21,900	\$24,325	\$26,275	\$28,225	\$30,175	\$32,125
20% of AMI	\$13,640	\$15,580	\$17,520	\$19,460	\$21,020	\$22,580	\$24,140	\$25,700
15% of AMI	\$10,230	\$11,685	\$13,140	\$14,595	\$15,765	\$16,935	\$18,105	\$19,275

ATTACHMENT E

MANAGEMENT PLAN CHECKLIST

The developer will be required to submit a Management Plan for review and approval by HHSA. HHSA requires certain tenant and participant protections for all rental housing funded by the NPLH program. In addition, HHSA requires a crime-free element in the Management Plan. Also required is a copy of the sample lease agreement and any addenda.

The Management Plan is required to follow the format below.

MANAGEMENT

- Role and Responsibility of the Owner and/or Delegation of Authority of the Managing Agent
 - Description of Site/Units
 - Scope of Duties
 - Changes in Management
- Personnel Policy and Staffing Arrangements
 - Hiring and Personnel Policies
 - Projected Staffing (On-Site Manager 16 or more units)
 - Training and Monitoring
 - Hiring of Residents
- Maintaining Adequate Accounting Records and Handling Necessary Forms and Vouchers
 - Accounting Basis
 - Collections and Disbursements
 - Contracting, Purchasing, Cost Controls
 - Compliance and Reporting
 - Vacancies and Rent Losses
 - Security Deposits
- Emergency Plan
 - Emergency Protocol
 - Evacuation Routes
 - Evacuation Plan for tenants needing assistance in exiting the building
- Provisions for Update of Management Plan
- Insurance

OCCUPANCY

- Plan and Procedures for Publicizing and Achieving Early and Continued Occupancy
 - Outreach (Affirmative Fair Housing Marketing Plan/Advertising)
 - Resident Selection
 - Waiting List
 - Orientation
- Procedures for Determining Resident Eligibility and for Certifying and Annually Recertifying Household Income and Size
 - Initial Certification
 - Recertification
 - Changes in Eligibility During Occupancy
 - Leasing Procedures
- Rent Collection
 - Rent Payment
 - Late Rents
 - Rent Increases
- Procedure for Appeal, Grievance and Eviction
 - Right to Hearing
 - Eviction Procedures
- Plans for Enhancing Resident-Management Relations
 - Resident Organization(s)

- Community Room
- Auxiliary Program
- Tenant Files Management
 - Property Management Software
 - Privacy and Sensitive Information Safeguards

MAINTENANCE AND SECURITY

- Construction Follow-Up
- Maintenance Programs
 - Maintenance Duties
 - Maintenance Supervision and Performance
 - Resident Maintenance Requests
 - Resident Neglect and Abuse
 - Reconditioning for New Residents
 - Preventive Maintenance
 - Emergency Maintenance
 - Gardening and Landscape
 - Contract Maintenance
 - Maintenance Stock Control
- Security
- Crime-Free Program

GRIEVANCE AND APPEAL PROCEDURE

- Definitions
- Applicability
- Right to a Hearing
- Types of Hearings
 - Informal Hearing
 - Presentation of Grievance
 - Summary and Answer
 - Request for a Formal Hearing
 - Failure to Request a Hearing
 - Formal Hearing
 - Selection of the Hearing Officer or Hearing Panel
 - Time Limits
 - Fair Hearing
 - Private Hearing
 - Discovery
 - Disputed Carrying Charges or Other Charges
 - Proof
 - Failure to Appear at Hearing
- Decisions of the Hearing Officer or Hearing Panel
 - Binding Effect
 - Proposed Decision
 - Written Decision
 - Costs
- Enforcement of Hearing Officer's or Hearing Panel's Decision
 - Compliance with Decision
 - Failure to Comply with Decision
 - Enforcement of an Eviction Action
- Right to Go to Court

ATTACHMENT F

BORROWER'S INSURANCE REQUIREMENTS

Without limiting Borrower's indemnification obligations to County under this Regulatory Agreement, Borrower shall provide and maintain for the duration of this Regulatory Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Borrower's operation and use of the Property. The cost of such insurance shall be borne by the Borrower.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils for both Builders Risk and completed operational property. Builders Risk coverage shall be provided on the work and materials whether in process or manufacture or finished, including "in transit" coverage, and including loading and unloading operations, without deduction for depreciation, including costs of demolition and debris removal. Property coverage shall be in force for the entire term of the Agreement. Such policy or policies of insurance shall include coverage for Borrower's fixtures and any items identified in this Regulatory Agreement as improvements to the Property.

Rental Income Insurance assuring County of receiving the minimum monthly rent from the time the Premises are damaged or destroyed with a minimum period of coverage for one (1) year.

2. Minimum Limits of Insurance

Borrower shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.
- D. Property: Full replacement cost with no coinsurance penalty provision.

If the Borrower maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained. Any

available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available.

3. Deductibles and Self-Insured Retention

Any liability deductible or self-insured retention must be declared to and approved by County Risk Management. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Borrower.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Borrower shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Regulatory Agreement, the Borrower's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.

C. Notice of Cancellation

Notice of Cancellation shall be provided in accordance with policy provisions.

D. Loss Payee Clause

County of San Diego, Housing & Community Development Services, shall be named as Loss Payee on the property coverage. The Loss payee clause should read:

County of San Diego, Housing & Community Development Services,
3989 Ruffin Road, San Diego, CA 92123

General Provisions

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

6. Evidence of Insurance

Prior to commencement of this Regulatory Agreement, but in no event later than the effective date of the Regulatory Agreement, Borrower shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Renewal certificates and amendatory endorsements shall be furnished to County within thirty days of the expiration of the term of any required policy. Borrower shall permit County at all reasonable times to inspect any required policies of insurance.

7. Failure to Obtain or Maintain Insurance; County's Remedies

Borrower's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements, or failure to make premium payments required by such insurance, shall constitute a material breach of the Regulatory Agreement, and County may, at its option, terminate the Regulatory Agreement for any such default by Borrower.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by the Borrower, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Borrower pursuant to the Regulatory Agreement, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Borrower to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Borrower may, with the prior written consent of County Risk Management, fulfill some or all of the insurance requirements contained in this Regulatory Agreement under a plan of self-insurance. Borrower shall only be permitted to utilize such self-insurance if in the opinion of County Risk Management, Borrower's (i) net worth, and (ii) reserves for payment of claims of liability against Borrower, are sufficient to adequately compensate for the lack of other insurance coverage required by this Regulatory Agreement. Borrower's utilization of self-insurance shall not in any way limit liabilities assumed by Borrower under this Regulatory Agreement.

11. Waiver of Subrogation

Borrower and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Borrower's improvements, and alterations of either County or Borrower in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Borrower, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Borrower shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

12. Contract Bonds

Prior to execution of the Contract, Contractor shall file with the County on the approved forms, the two surety bonds in the amounts and for the purposes noted below, duly executed by a reputable surety company satisfactory to County, and Contractor shall pay all premiums and costs thereof and incidental thereto, as security for payment of persons named in California Civil Code Section 3181 or amounts due under Unemployment Insurance Code with respect to Work or Labor performed by any such claimant. All alterations, time extensions, extra and additional work, and other changes authorized by the Specifications, or any part of the Contract, may be made without securing consent of the surety or sureties on the contract bonds. Each bond shall be signed by both Contractor and the sureties.

- A. The Payment Bond for public works shall be in an amount of one hundred percent (100%) of the Contract price, as determined from the prices in the bid form, and shall insure to the benefit of persons performing labor or furnishing materials in connection with the work of the proposed

Contract. This bond shall be maintained in full force and effect until all work under the Contract is completed and accepted by the County, and until all claims for materials and labor have been paid.

- B. The Performance Bond shall be in an amount of one percent (100%) of the Contract price as determined from the prices in the bid form and shall insure the faithful performance by the Contractor of all work under the Contract. It shall also insure the replacing of, or making acceptable, any defective materials or faulty workmanship.

- M. Qualification of Sureties. Should any surety or sureties be deemed unsatisfactory at any time by the County, notice will be given Contractor to that effect, and Contractor shall substitute a new surety or sureties satisfactory to the County. No further payment shall be deemed due or will be made under the contract until the sureties qualify and are accepted by the County.

ATTACHMENT G-1

1378 CHG-11
Appendix 3b
App. 3b-1 [09/11]

GUIDEFORM GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT TO BE DISPLACED
(Section 104(d) language included for projects with CDBG or NPLH)
Grantee or Agency Letterhead
(date)

Dear _____:

(City, County, State, Public Housing Authority (PHA), other)_____, is interested in (acquiring, rehabilitating, demolishing)_____ the property you currently occupy at (address)___ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program(s).

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You may be eligible for relocation assistance and payments under the URA, if the proposed project receives HUD funding and if you are displaced as a result of acquisition, rehabilitation or demolition for the project.

This is not a notice to vacate the premises.

This is not a notice of relocation eligibility.

If you are determined to be eligible for relocation assistance in the future, you will be given: 1) Reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help you successfully relocate to another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement NPLH. You cannot be required to move permanently unless at least one comparable replacement dwelling has been made available to you. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance to Tenants Displaced from Their NPLHs" provides an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child. All persons seeking URA relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

In projects that use Community Development Block Grant funds (CDBG) or NPLH Investment Partnership Program (NPLH) funds, you might be eligible to select relocation assistance and payments under section 104(d) of the Housing and Community Development Act of 1974 as an alternative to that available under the URA. We have included another brochure titled, "Relocation Assistance to Persons Displaced from Their NPLHs (Section 104(d))" that provides an explanation of the section 104(d) assistance.

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility, you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans. In order to help you fully participate in the relocation process, reasonable accommodations will be made for persons with disabilities and language assistance will be made available for persons with limited English proficiency. Please let our representative know if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

Sincerely,
(name and title) _____

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See Paragraph 2-3 J of Handbook 1378.)

2. This is a guide form. It should be revised to reflect the circumstances.

3. Optional paragraphs for displaced residents of public housing projects (may be modified based on the PHA's resident return policy):

“Even though you will be provided all of the assistance the URA requires for a permanent move, the Authority believes that every resident displaced from the site should have the right to reapply for occupancy once this project is complete. For this reason, after project completion, every resident who receives assistance as a “displaced person” will be contacted and offered an opportunity to reapply for occupancy in the newly-revitalized community. Furthermore, because you will be a former occupant who was “displaced” from the site, you will also receive a priority preference to return.

In the event the number of those who request to return and qualify for housing exceeds the number of units available, rating and ranking criteria will be used to identify those who will be offered a unit at the site until all available units are filled. If you do return, the Authority may help defray the costs of the return move. If you have Replacement Housing Payments not yet spent or obligated, you may be asked to forfeit these payments as a condition for returning to public housing, since this assistance will no longer be necessary to meet your housing needs. Such assistance, if not forfeited, must be considered as income and may affect your eligibility and rent.”

4. Title VI of the Civil Rights Act of 1964 requires agencies to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency. HUD guidance is available at 72 FR 2732 to assist agencies in complying with this requirement. While the text provided regarding language assistance is not required and is provided for illustrative purposes only, providing appropriate translation and counseling for persons who are unable to read and understand required notices is mandatory. See 49 CFR 24.5.

ATTACHMENT G-2

GUIDEFORM
- VOLUNTARY ACQUISITION -
- Informational Notice -
(Agencies without Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear _____:

(Name of Agency/Person) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that (Name of Agency/Person) _____ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

We are prepared to offer you (\$) _____ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

Sincerely,

(name and
title) _____

NOTES

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery.
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A - 24.2(a)(15)(iv).
3. This is a guide form. It should be revised to reflect the circumstances.

ATTACHMENT G-3

HUD Handbook 1378, Change 5
Appendix 29, [11/2014]

**MOVE-IN NOTICE
(GUIDEFORM NOTICE TO PROSPECTIVE TENANT)
Grantee or Agency Letterhead**

(date)

Dear:

On *(date)*, *(property owner)* submitted an application to the *(Grantee)* for financial assistance under a program funded by the Department of Housing and Urban Development (HUD). The proposed project involves [acquisition] [rehabilitation] [demolition] and/or [conversion] of the property located at *(address)*. Because federal funds are planned for use in this project, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) [and/or section 104(d) of the Housing and Community Development Act of 1974, as amended] may apply to persons in occupancy at the time the application was submitted for HUD funding. However, if you choose to occupy this property subsequent to the application for federal financial assistance, as a new tenant you will not be eligible for relocation payments or assistance under the URA [and/or section 104(d)].

This notice is to inform you of the following information **before you enter into any lease agreement and/or occupy the property located at the above address:**

- ◆ You may be displaced by the project.
- ◆ You may be required to relocate temporarily.
- ◆ You may be subject to a rent increase.
- ◆ You will not be entitled to any relocation payments or assistance provided under the URA [and/or section 104(d)]. If you must move or your rent is increased because of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses you incur in connection with a move because of the project.

Please read this notification carefully prior to signing a rental agreement and moving into the project. If you should have any questions about this notice, please contact *(Grantee)* at *(address and telephone number)*. Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

(name and title)

I have read the above information and understand the conditions under which I am moving into this project.

Print Name of Tenant(s)

Signature(s)

Address and Unit Number

Date

NOTE: This is a guide form. It should be revised to reflect the project circumstances.

ATTACHMENT H
TENANT CHARACTERISTICS FORM

PROJECT NAME: _____ BORROWER/DEVELOPER: _____ FUNDS (Please check): _____ NPLH _____
 _____ Other _____

PART A: To be completed by the developer. +See reverse side for codes to use when completing this form.

Unit #	Tenant Name	Number of Bedrooms	Number of Occupants	Household Annual Income	Income Level ****	Income Source *****	Receive Sect 8? ***	Current Monthly Rent	Post-Rehab Rent	Ethnic Code *	Sex of Head of Household	Age of Head of Household	Handicapped **	Occupants: Relationship by Sex & Age

(Please fill out additional sheets if necessary)

(1) ETHNIC CODES (*)

- Race-Head of Household
- 11-White
- 12-Black/African American
- 13-Asian
- 14-American Indian/Alaska native
- 15-Native Hawaiian/Other Pacific Islander
- 16-American Indian/Alaska Native and White
- 17-Asian and White
- 18-Black/African American and White
- 19-American Indian/Alaska Native and Black/African American
- 20-Other Multi Racial

(2) HANDICAPPED CODES ()**

"H" = Hearing Impaired "V" = Visually Impaired "M" = Mobility Impaired

(3) SECTION 8 ASSISTANCE (*)**

If yes, please identify type: "C" = Certificate "V" = Voucher

(4) INCOME LEVELS (**) (Area Median Income (AMI)) Limits Effective April 1, 2018**

CODE	Family Size:	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
"1"	Extremely Low (<30% AMI)	\$20450	\$23400	\$26300	\$29200	\$31550	\$33900	\$38060	\$42380
"2"	Very Low (50% AMI)	\$34100	\$38950	\$43800	\$48650	\$52500	\$56450	\$60350	\$64250
"3"	Low-Income (80% AMI)	\$54500	\$62300	\$70100	\$77850	\$84100	\$90350	\$96550	\$102800

(5) INCOME SOURCE (***)**

- Codes:
- "1" = Earned Income (Head of Household)
 - "2" = Earned Income (Joint)
 - "3" = Investment Income (Interest/Dividends)
 - "4" = Earned Investment (Rental Income)
 - "5" = Social Security
 - "6" = Retirement Income (Other Pensions/Annuities)
 - "7" = Redistributed Income (Unemployment, Welfare, Disability, SSI)

**ATTACHMENT I
PROJECT TIMELINE**

Project Title: _____ Developer: _____

<u>Item</u>	<u>Projected Date of Completion</u>
SITE	
Environmental Review Completed	_____
Site Acquired	_____
LOCAL PERMITS	
Conditional Use Permit	_____
Variance	_____
Site Plan Review	_____
Grading Permit	_____
Building Permit	_____
CONSTRUCTION FINANCING	
Loan Application	_____
Enforceable Commitment	_____
Closing and Disbursement	_____
PERMANENT FINANCING	
Loan Application	_____
Enforceable Commitment	_____
Closing and Disbursement	_____
OTHER LOANS AND GRANTS	
Type and Source:	_____
Application	_____
Closing or Award	_____
Funds Available	_____
OTHER LOANS AND GRANTS	
Type and Source	_____
Application	_____
Closing or Award	_____
Funds Available	_____
Construction Start	_____
Construction Completion	_____
Placed in Service	_____
Occupancy of all Assisted Units	_____

ATTACHMENT J
CRIME FREE LEASE ADDENDUM

In consideration of the execution or renewal of a lease of the dwelling unit identified in the lease, Owner and Resident agree as follows:

1. Resident, any members of the resident’s household or a guest or other person under the resident’s control shall not engage in criminal activity, including drug-related criminal activity, on or near the said premises. “Drug-related criminal activity” means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Section 102 of the Controlled Substance Act [21 U.S.C. 802]).

2. Resident, any member of the resident’s household or a guest or other person under the resident’s control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near the said premises.

3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity a member of the household is, or a guest.

4. Resident, any member of the resident’s household or a guest, or another person under the resident’s control shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance as defined in Health & Safety Code §11350, et seq., at any locations, whether on or near the dwelling unit premises or otherwise.

5. Resident, any member of the resident’s household, or a guest or another person under the resident’s control shall not engage in any illegal activity, including: prostitution as defined in Penal Code §647(b); criminal street gang activity, as defined in Penal Code §186.20 et seq.; criminal threats, as prohibited in Penal Code §422 PC; assault and battery, as prohibited in Penal Code §240; burglary, as prohibited in Penal Code §459; the unlawful use and discharge of firearms, as prohibited in Penal Code §245; sexual offenses, as prohibited in Penal Code §269 and 288, or any breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the landlord, his agent or other tenant or involving imminent or actual serious property damage.

6. VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF TENANCY. A single violation of any of the provisions of this added addendum shall be deemed a serious violation and a material and irreparable non-compliance. It is understood that a single violation shall be good cause for termination of the lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.

7. In case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of the addendum shall govern.

8. This LEASE ADDENDUM is incorporated into the lease executed or renewed this day between Owner and Resident.

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

Property Manager’s Signature: _____ Date: _____

Property Name: _____ Address: _____

ATTACHMENT K

Additional No Place Like Home Recommendations and Guidelines

The following recommendations and guidelines represent feedback received from No Place Like Home and the Special Needs Housing Program input sessions held throughout the County of San Diego.

Recommendations to Develop a Variety of No Place Like Home (NPLH) Housing Opportunities

1. NPLH Mental Health Services Act (MHSA) Housing Program eligible clients (“clients”) will choose and direct their housing arrangements.
2. NPLH units are prioritized for integrated housing/mixed population and/or mixed-income buildings housing a range of tenant populations. To ensure client choice, Health and Human Services (HHS) should seek to achieve a mix of building types.
3. NPLH housing should be in neighborhoods that meet the needs of the clients, including safety and security. Security design features such as architectural and landscape security design configurations, cameras in common areas, secured entry, and/or security services should be used to the extent possible.

NPLH MHSA Housing Project Development Guidelines

For multi-family rental housing projects developed using NPLH housing funds, the following guidelines shall apply.

1. Clients will live in housing where they have their own bedrooms.
2. NPLH supportive housing developments must be located near transportation.¹ In addition, projects should have access to health services, groceries and other amenities such as public parks and/libraries
3. NPLH units should be designed for livability, meaning the space in the unit can accommodate the potential number of occupants and the basic pieces of common furniture necessary for daily activities. Units must at minimum include a bathroom and food preparation area and adequate storage and closet space within each apartment. Rental Single Room Occupancy (SRO) units with shared bathrooms are not desirable and should not be funded.
4. Due to the crisis of homelessness and the need to create housing opportunities quickly, projects that convert hotel/motels, and which may have units smaller than 350 square feet, and reasonably expect to receive a certificate of occupancy within a year of application for NPLH funding may be prioritized.
5. NPLH supportive housing developments should include sufficient community space, which could include the following: common meeting spaces, communal kitchens, computer room, and gardens. Dedicated space for services delivery is desirable, particularly in projects with higher numbers of NPLH units. Refrigerators should be at least “apartment size” refrigerators to allow for adequate food storage, air conditioning and a microwave. It is also desirable for developments to have laundry facilities on-site.
6. Developments should have a plan for tenants in the event of an emergency. The emergency plan should be sent to HHS prior to certificate of occupancy and it should be shared with tenants shortly after tenants move-in. The plan must include steps for helping tenants that need assistance in exiting the building.
7. NPLH housing developments shall incorporate design features that take into account feedback provided by the NPLH population during NPLH input sessions.

¹ At minimum, public transit that comes with reasonable frequency must be accessible within 0.5 mile. It is preferred that, where possible, other services be walkable within 0.5 mile (e.g. not including physical barriers that prevent access by foot or public transit).

ATTACHMENT L
NPLH Program Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meaning of terms described in Part 3.9 of Division 5 of the Welfare and Institutions Code (commencing with Welfare and Institutions Code Section 5849.1).

- (a) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the California Tax Credit Allocation Committee (TCAC) or the Department.
- (b) “Assisted Unit” means a residential housing Unit that is subject to the Rent, occupancy and other restrictions specified in these Guidelines as a result of the financial assistance provided under the Program. For purposes of the Program, “Assisted Unit” shall not be treated as an assisted Unit under other state funding programs, excluding tax credit programs, California Housing Finance Agency (CalHFA) senior debt, and local funds contributed to CalHFA’s Local Government Special Needs Housing Program. A unit can also be considered an “Assisted Unit” even though it is subject to a Department recorded covenant or regulatory agreement restricting the use and occupancy of the project pursuant to the following Department programs:
 - i. Rental Housing Construction Program Original (RHCP-O) established by Chapter 9 (commencing with Section 50735);
 - ii. Special User Housing Rehabilitation Program (SUHRP) established by Section 50670;
 - iii. Deferred Payment Rehabilitation Loan Program (DPRLP) established by Chapter 6.5 (commencing with Section 50660);
 - iv. the rental component of the California Natural Disaster Assistance Program (CALDAP) established by Section 50671;
 - v. State Earthquake Rehabilitation Assistance Program (SERA) established by Section 50671;
 - vi. the rental component of the California Housing Rehabilitation Program (CHRP-R) established by Section 50668.5;
 - vii. the component of the Rental Housing Construction Program funded with bond proceeds (RHCP-B) pursuant to Section 50771.1;
 - viii. Family Housing Demonstration Program (FHDP) established by Section 50880; and
 - ix. Families Moving to Work Program (FMTW) established by Section 50880.
- (c) “At-Risk of Chronic Homelessness” for this Program means an adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet one or more of the criteria below. All persons qualifying under this definition must be prioritized for available housing by using a standardized assessment tool that ensures that those with the greatest need for Permanent Supportive Housing and the most barriers to housing retention are prioritized for the Assisted Units available to persons At-Risk of Chronic Homelessness pursuant to the terms of the Project regulatory agreement. Qualification under this definition can be done through self-certification or in accordance with other established protocols of the Coordinated Entry System or other alternate system used to prioritize those with the greatest needs among those At-Risk of Chronic Homelessness for referral to available Assisted Units.

Persons qualifying under this definition are persons who are at high-risk of long-term or intermittent homelessness, including:

- (1) Pursuant to Welfare and Institutions Code Section 5849.2, persons exiting institutionalized settings, such as jail or prison, hospitals, institutes of mental disease, nursing facilities, or long-term residential substance use disorder treatment, who were Homeless prior to admission to the institutional setting;

- (2) Transition-Age Youth experiencing homelessness or with significant barriers to housing stability, including, but not limited to, one or more evictions or episodes of homelessness, and a history of foster care or involvement with the juvenile justice system; and others as set forth below;
- (3) Persons, including Transition-Age Youth, who prior to entering into one of the facilities or types of institutional care listed herein had a history of being Homeless as defined under this subsection (f)(3): a state hospital, hospital behavioral health unit, hospital emergency room, institute for mental disease, psychiatric health facility, mental health rehabilitation center, skilled nursing facility, developmental center, residential treatment program, residential care facility, community crisis center, board and care facility, prison, parole, jail or juvenile detention facility, or foster care. Having a history of being Homeless means, at a minimum, one or more episodes of homelessness in the 12 months prior to entering one of the facilities or types of institutional care listed herein. The CES (as defined in Section 101(n)), or other local system used to prioritize persons At-Risk of Chronic Homelessness for available Assisted Units may impose longer time periods to satisfy the requirement that persons under this paragraph must have a history of being Homeless.
- (4) The limitations pertaining to the definition of “Homeless” shall not apply to persons At-Risk of Chronic Homelessness, meaning that as long as the requirements in subsections (C)(1) - (3) above are met:
 - (A) Persons who have resided in one or more of the settings described above in subsection (C)(1) or (C)(3) for any length of time may qualify as Homeless upon exit from the facility, regardless of the amount of time spent in such facility; and
 - (B) Homeless Persons who prior to entry into any of the facilities or types of institutional care listed above have resided in any kind of publicly or privately-operated temporary housing, including congregate shelters, transitional, interim, or bridge housing, or hotels or motels, may qualify as At-Risk of Chronic Homelessness.
- (d) “Capitalized Operating Subsidy Reserve” or “COSR” means the reserve established by the County pursuant to address Project operating deficits attributable to Assisted Units.
- (e) “Chronically Homeless” for this Program means an adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet the criteria below according to 24 Code of Federal Regulations Section 578.3, as that section read on May 1, 2016:
 - a. A “homeless individual with a disability,” as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who
 - i. Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
 - ii. Has been Homeless and living as described in paragraph (1) (A) of this definition continuously for at least 12 months, or on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months, and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (1). Stays in institutional care facilities for fewer than 90 days will not constitute a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;
 - b. An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90

days and met all of the criteria in paragraph (1) of this definition, before entering that facility;
or

- c. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been Homeless.
- (f) “Continuum of Care” is defined in 24 CFR Section 578.3 to mean the group organized to provide coordinated services to homeless individuals. This group is composed of representatives of organizations such as nonprofit Homeless services providers, faith-based organizations, businesses, governments, public housing agencies, victim service providers, medical providers, advocates, law enforcement, social service providers, school districts, universities, mental health services providers, affordable housing developers, and organizations that serve Homeless and formerly Homeless veterans, and Homeless and formerly Homeless persons, to the extent they reside within the geographic area and are available to participate.
- (g) “Coordinated Entry System” or “CES” means a centralized or coordinated process developed pursuant to 24 CFR Section 578.7(a)(8), as that section read on May 1, 2016, designed to coordinate program participant intake, assessment, and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.
- (h) “County” or “Counties” includes, but is not limited to, a city and county, and a city receiving funds pursuant to Section 5701.5 of the Welfare and Institutions Code. Reference to County Board of Supervisors in these Guidelines shall also mean the governing body of a city receiving funds pursuant to Section 5701.5 of the Welfare and Institutions Code.
- (i) “Development Sponsor” or “Sponsor” as defined in Section 50675.2 of the Health and Safety Code and subdivision (c) of Section 50669 of the Health and Safety Code means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the State of California Department of Housing and Community Development as qualified to own, manage, and rehabilitate a Rental Housing Development. A Development Sponsor may be organized for profit, limited profit or be nonprofit, and includes a limited partnership in which the Development Sponsor or an affiliate of the Development Sponsor is a general partner.
- (j) “Distributions” has the same meaning as under 25 CCR Section 8301.
- (k) “Eligible Population” means members of the eligible populations identified in Welfare and Institutions Code Section 5600.3 (a) and (b) (adults or older adults with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents), who are Homeless, Chronically Homeless, or At-Risk of Chronic Homelessness. This includes persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders.
- (l) "Fiscal Integrity" means, for any Project for any given period of time during the term of the NPLH Program Documents, that the total Operating Income for such Project for such period of time, plus funds released pursuant to the NPLH Program Documents from the Project's operating reserve account(s) during such period of time is sufficient to: (1) pay all current Operating Expenses for such Project for such period of time; (2) pay all current mandatory debt service (excluding deferred

interest) coming due with respect to such Project for such period of time; (3) fully fund all reserve accounts established pursuant to the NPLH Program Documents for such Project for such period of time; and (4) pay other costs permitted by the NPLH Program Documents for such Project for such period of time. The ability to pay any or all of the permitted annual Distributions for a Project shall not be considered in determining Fiscal Integrity of a Project.

- (m) “H&S” means the California Health and Safety Code.
- (n) “HUD” means the federal Department of Housing and Urban Development.
- (o) “Homeless” for this program means adults or older adults with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet the criteria below, according to 24 CFR Section 578.3, as that section read on May 1, 2016, which include, but are not limited to:
 - a. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - i. An individual or family with a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground, or
 - ii. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals), or
 - iii. An individual who is exiting an institution where he or she resided for 90 days or less, and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
 - b. An individual or family who will imminently lose their primary nighttime residence provided that:
 - i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance,
 - ii. No subsequent residence has been identified, and
 - iii. The individual or family lacks the resources or support networks, such as family, friends, faith-based or other social networks, needed to obtain other permanent housing.
 - c. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless, but who:
 - i. Are defined as homeless under Section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), Section 637 of the Head Start Act (42 U.S.C. 9832), Section 41403 of the Violence Against Women Act of 1994 (U.S.C. 14043e-2), Section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), Section 17(b) of the Child Nutrition Act of 1966 (42 USC

1786 (b)), or Section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a),

- ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60-day period immediately preceding the date of application for homeless assistance,
 - iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance, and
 - iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- d. Any individual or family who:
- i. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence,
 - ii. Has no other residence, and
 - iii. Lacks the resources or support networks, such as family, friends, and faith-based or other social networks, to obtain other permanent housing.
- (p) "Housing First" has the same meaning as in Welfare and Institutions Code Section 8255, including all of the core components listed therein.
- (q) "NOFA" means a Notice of Funding Availability.
- (r) "NPLH" means the No Place Like Home Program administered by the County
- (s) "NPLH Program Documents" means the documents executed by the Department and an Applicant governing Assisted Units, including but not limited to the Department's standard agreement, that includes provisions related to supportive services, regulatory agreement, deed of trust, and promissory note.
- (t) "Noncompetitive Allocation" means funds made available by the Department to a County pursuant to Welfare and Institutions Code Section 5849.9.
- (u) "Operating Expenses" has the same meaning as in 25 CCR Section 8301.
- (v) "Operating Income" has the same meaning as in 25 CCR Section 8301.

- (w) “Permanent Supportive Housing” has the same meaning as “supportive housing,” as defined in Section 50675.14 of the Health and Safety Code, except that “Permanent Supportive Housing” shall include associated facilities if used to provide services to housing residents. Permanent Supportive Housing does not include “Community care facilities” as set forth in Section 1502 of the Health and Safety Code, “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code, or other residential treatment programs.
- (x) “Point-in-Time Count” means a count of sheltered and unsheltered homeless persons on a single night conducted by Continuums of Care as prescribed by HUD. In the event that HUD no longer requires that Point-in-Time Counts be conducted for unsheltered or sheltered homeless persons, the State of California HCD may use another methodology for determining the number of homeless persons residing within each County.
- (y) “Program” means the No Place Like Home Program.
- (z) “Rent” means the same as “gross rent”, as defined in accordance with the Internal Revenue Code (26 USC 42(g)(2)(B)). It includes all mandatory charges, other than deposits paid by the tenant, for use and occupancy of an Assisted Unit, plus utility allowance established in accordance with TCAC regulations, if applicable. For Units assisted under the Housing Choice Voucher (HCV) or similar rental or operating subsidy program, Rent includes only the tenant contribution portion of the contract rent.
- (aa) “Rental Housing Development” or “Project” means a multifamily structure or set of structures providing Supportive Housing with common financing, ownership, and management. For developments financed under Article II, Projects must collectively contain five or more Units. “Rental Housing Development” does not include any “health facility” as defined by Section 1250 of the Health and Safety Code or any “alcoholism or drug abuse recovery or treatment facility” as defined by Section 11834.02 of the Health and Safety Code. Rental Housing Developments or Projects also do not include “Community care facilities” as set forth in Section 1502 of the Health and Safety Code, “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code, or other residential treatment programs.
- (bb) “Scattered Site Housing” means a Rental Housing Development that includes non- contiguous parcels and meets the requirements in Subsection 202 within these Guidelines.
- (cc) “Serious Mental Disorder” has the same definition as in Welfare and Institutions Code Section 5600.3.
- (dd) “Seriously Emotionally Disturbed Children or Adolescents” has the same definition as in Welfare and Institutions Code Section 5600.3(a)(1).
- (ee) “SSI/SSP” means the California Department of Social Services’ Supplemental Security Income/State Supplementary Payment pursuant to Welfare and Institutions Code Section 12000 *et seq.*
- (ff) “Supportive Housing” has the same meaning as in Section 50675.14 of the Health and Safety Code, that is, housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Supportive Housing shall include associated facilities if used to

provide services to housing residents. Supportive Housing does not include “health facility” as defined by Section 1250 of the Health and Safety Code or any “alcoholism or drug abuse recovery or treatment facility” as defined by Section 11834.02 of the Health and Safety Code or “Community care facilities” as set forth in Section 1502 of the Health and Safety Code, “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code, or other residential treatment programs.

- (gg) “TCAC” means the California Tax Credit Allocation Committee.
- (hh) “Total Development Cost” means the sum of all eligible development costs associated with the acquisition, design, construction, rehabilitation, or preservation of Assisted Units.
- (ii) “Transition-Age Youth” means unaccompanied youth under age 25, including youth with children.
- (jj) “UMR” means the Uniform Multifamily Regulations commencing with 25 CCR Section 8300.
- (kk) “Unit” means a residential unit that is used as a primary residence by its occupants, including individual units within Rental Housing Developments, including Shared Housing.
- (ll) “WIC” means the California Welfare and Institutions Code.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.2, 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

ATTACHMENT M

Support Services Plan

Attach pages as necessary to describe how the project will support the housing needs of individuals with serious mental illness and/or families with seriously emotionally disturbed children/adolescents who are Homeless, Chronically Homeless, or At-risk of Chronic Homelessness for residency. Include and describe the following:

1. Total number of units to be NPLH Assisted Units;
2. Itemized budget and sources of funding for services;
3. Description of the eligible population to be served, and identification of any additional subpopulation or occupancy preference for the NPLH Project that the Developer wishes to undertake beyond what is permitted under the eligible population requirements. Any additional subpopulation outreach or occupancy preference for NPLH Project must be approved by HHSA PRIOR to construction loan closing and must be consistent with federal and state fair housing requirements;
4. Plan for coordination of services with the County's or the County's lead service provider;
5. Strategies for tenant outreach, engagement, and rental stability and retention of both NPLH Assisted and non-assisted units. How will property management and service providers work together to prevent evictions, adopt and ensure compliance with harm reduction principles, and facilitate the implementation of reasonable accommodation policies from lease up to ongoing operations of the Project?
6. Process to use Coordinated Entry System for notification of unit vacancies and receipt of tenant referrals, including individuals with serious mental illness;
7. Efforts to be taken to ensure the project complies with Housing First Practices (WIC Code, 8255 (b));
8. Description of services to be offered, frequency of services that will be offered or provided depending on the nature of the services, who is anticipated to be providing the services and location and general hours of availability of services;
9. For services provided off-site, plan must describe what public or private transportation options will be available to NPLH tenants to provide them reasonable access to services. Reasonable access is access that does not require walking more than ½ mile;
10. Description of how services are culturally and linguistically competent for person of different races, ethnicities, sexual orientations, gender identities, and gender expressions. This includes explaining how services will be provided to NPLH tenants, and their families, who do not speak English, or have other communication barriers, including sensory disabilities, and how communication among the service providers, the property manager and these tenants will be facilitated;
11. Service provider and property manager communication protocols;
12. Description of how the physical design of the Project fosters tenant engagement, onsite supportive service provision, safety and security, and sustainability of furnishings, equipment, and fixtures: and;
13. Other information needed by HHSA to evaluate the supportive services to be offered are consistent with the NPLH guidelines.

**Attachment M- Support Services Plan
Supportive Service Chart**

Complete the Supportive Services Chart. The Chart must list all services that will be provided to NPLH tenants, including any in-kind services essential to the success of the Supportive Services Plan. Add additional pages, if necessary.

Supportive Service Additional services not listed below may be added at the bottom of the checklist.	Service Location	
	Onsite	Off-Site
<i>Services <u>Required</u> to be available to NPLH tenants based on tenant need (provided by or coordinated by County Lead Service Provider)</i>		
Case Management	<input type="checkbox"/>	<input type="checkbox"/>
Peer Support Activities	<input type="checkbox"/>	<input type="checkbox"/>
Mental health care, such as assessment, crisis counseling, individual and group therapy, and peer support groups	<input type="checkbox"/>	<input type="checkbox"/>
Substance use services, such as treatment, relapse prevention, and peer support groups	<input type="checkbox"/>	<input type="checkbox"/>
Support in linking to physical health care, including access to routine and preventive health and dental care, medication management, and wellness services	<input type="checkbox"/>	<input type="checkbox"/>
Benefits counseling and advocacy	<input type="checkbox"/>	<input type="checkbox"/>
Basic housing retention skills (such as Unit maintenance and upkeep, cooking, laundry, and money management).	<input type="checkbox"/>	<input type="checkbox"/>
<i>Services <u>Encouraged</u> to be available to NPLH tenants based on tenant need</i>		
Services for persons with co-occurring mental and physical disabilities or co- occurring mental and substance use disorders not listed above	<input type="checkbox"/>	<input type="checkbox"/>
Recreational and social activities;	<input type="checkbox"/>	<input type="checkbox"/>
Educational services, including assessment, GED, school enrollment, assistance accessing higher education benefits and grants, and assistance in obtaining reasonable accommodations in the education process	<input type="checkbox"/>	<input type="checkbox"/>
Employment services, such as supported employment, job readiness, job skills training, job placement, and retention services, or programs promoting volunteer opportunities for those unable to work	<input type="checkbox"/>	<input type="checkbox"/>
Obtaining access to other needed services, such as civil legal services, or access to food and clothing	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

*Transportation, assistance with, or access to transportation, will be provided for all off-site services.