

Notice of Funding Availability for Affordable Housing Acquisition and Rehabilitation

6/1/2026

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NOTICE OF FUNDING AVAILABILITY OVERVIEW

NOFA OVERVIEW

The County of San Diego Health and Human Services Agency (HHS), through its Housing and Community Development Services (HCDS) division, is issuing this Notice of Funding Availability (NOFA) with the objective of supporting the acquisition and/or rehabilitation of affordable multi-family housing units. Units will serve households at or below low-income (80% AMI) levels. Financing will be provided through HCDS-administered funding sources, subject to availability. Funding will primarily consist of **Community Development Block Grant (CDBG)** funding. However, funding sources may include a combination of the following, depending on availability:

- *HOME Investment Partnerships Program (HOME)*
- *HOME Investment Partnerships Program Community Housing Development Organization (HOME-CHDO)*

Please note that new construction is not eligible for this NOFA. HCDS may allocate different funds than those originally requested by the applicant to meet the funding objectives of HCDS. HCDS reserves the right to allocate funding sources at its sole discretion.

NOFA SUBMITTAL INSTRUCTIONS

All materials and information related to the NOFA can be found within the NOFA Overview, NOFA Application, NOFA Application Workbook, and NOFA Attachments. The NOFA Overview provides a summary of the NOFA Application and Application Workbook, incorporates the NOFA Attachments by reference and is further supplemented by them.

Submit completed and signed NOFA responses in electronic format as indicated in the NOFA Application Workbook. The NOFA application must be delivered on one USB drive and one electronic copy per the instructions noted below:

Mail or Deliver USB to
County of San Diego Housing and Community Development Services
3989 Ruffin Road
San Diego, CA 92123
Attn: Community Development

Electronic application shall be submitted via secured electronic document management and storage system (SharePoint, OneDrive, Dropbox) with email notification to community.development@sdcounty.ca.gov.

Applicants who do not submit both versions of their completed application on or before the application deadline will be deemed non-responsive. **Applications shall be saved/stored in accordance with the NOFA Checklist included in the NOFA Application Workbook. Documents should be in labeled folders and named in accordance with said checklist.**

Applications submitted for consideration must be complete and fully executed. If any information requested in the NOFA is not applicable to the proposed project, note “N/A” on the Application Checklist. Faxed copies, electronic copies submitted via CD, or data provided via links or websites will not be accepted. The electronic application and the information contained on the USB drive shall be consistent and the same. The County will not consider any items previously submitted through other NOFA applications.

HCDS reserves the right to change the requirements and policies described in this NOFA at HCDS’ sole

discretion. HCDS is responsible only for that which is expressly stated in the NOFA documents. Any supplemental NOFA information shall be made available to each person or organization via the NOFA distribution list and on the HCDS webpage. It is the responsibility of applicants to ensure, prior to submission, that the application reflects the most recent information, program requirements, and policies. By submitting an application, the applicant acknowledges receipt of all supplemental NOFA information, if applicable, that was emailed or posted on the HCDS webpage. HCDS is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf if those representations conflict with NOFA requirements.

Furthermore, HCDS reserves the right, in its sole discretion, to disqualify any application that is incomplete, out of order, lacks required attachments, or contains errors, inconsistencies, misrepresented information or other deficiencies. Forms provided in the NOFA application must be used and information provided otherwise may be disregarded at the discretion of HCDS. HCDS reserves the right to waive disparities in a NOFA response if the sum and substance of the NOFA response is present. Moreover, HCDS reserves the right to terminate this NOFA at any time without prior notice.

NOFA TIMELINE

Below is the timeline for the NOFA. The County reserves the right to modify any of the dates in the schedule as deemed necessary.

DATE	EVENT
6/1/2026	NOFA Release
6/18/2026	In-Person Industry Day at 9:30 a.m. – 10:30 a.m.
7/10/2026	NOFA Application Due by 2:00 p.m.
November 2026	Award

TECHNICAL ASSISTANCE

All communications regarding this NOFA and any requests for clarification must be submitted to HCDS via email at community.development@sdcountry.ca.gov.

ANTICIPATED AVAILABLE FUNDING

Funding made available through this NOFA will include Community Development Block Grant (CDBG) funding, supporting the acquisition and/or rehabilitation of affordable multi-family housing units or the acquisition of land for the development of affordable housing. Please note that new construction is not eligible for this NOFA.

AMOUNT	PROGRAM
\$1.7M	CDBG

Program (Funding Type)	Target Population	Maximum AMI	Required Affordability	Special Requirements	Eligible Communities
CDBG	Low-income Households	≤ 80%	Minimum 5-years	For acquisition and rehabilitation only	Unincorporated Areas of the County and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

AFFORDABILITY PERIOD

HCDS will enforce an affordability period of at least 55 years for all developments awarded funds under this NOFA. Successful applicants will acknowledge the affordability period applicable to the project.

ELIGIBLE COMMUNITIES:

Unincorporated Areas of the County and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

APPLICANT QUALIFICATION REQUIREMENTS

The County of San Diego will accept and consider eligible development proposals from all qualified applicants. Applicants should represent a development team that includes a developer, architect, professional consultants (such as an attorney), a general contractor, property manager, lenders and investors, and any other team members necessary to finance, construct, and operate the development.

The proportion of rent-restricted units to the total number of units in the development shall, at a minimum, equal the proportion of HCDS investment in the development's total development cost. Successful applicants will be able to clearly demonstrate how their proposal will improve access to affordable housing within San Diego County and maintain restricted units, as applicable, throughout the affordability period.

Qualified housing developers must demonstrate ability and capacity to:

1. Acquire and/or rehabilitate affordable housing developments.
2. Operate and maintain affordable housing developments throughout the project's life cycle.
3. Adhere to all programs' regulatory, statutory, and funding requirements and guidelines.
4. Leverage other funding sources, such as private equity loans from lending institutions, and funds from federal, state and/or local programs.

RESERVATION OF FUNDS

Time is of the essence to commit and expend funds. Upon approval of a conditional loan commitment, funds may be reserved for the project for a **maximum of 12 months** but may be revoked earlier if satisfactory progress is not demonstrated. Extensions will not be granted for funding awarded through this NOFA. HCDS reserves the right to reallocate CDBG, HOME, and HOME-ARP, funds from one approved project to another, to new activities, or to cancel fund reservations at its discretion if projects are not proceeding satisfactorily (in the sole opinion of HCDS) towards commencement of the proposed activity. Program funds available through this NOFA shall meet regulatory commitment and expenditure requirements. Commitment and expenditure requirements vary by funding source.

HCDS reserves the right to cancel its funding reservation if the HCDS loan has not closed escrow by the end of the 12th month. Once awarded, HCDS will not break up or combine project awards to accommodate a conversion to or from a hybrid CTCAC project.

From the date the application is submitted and at all times up to and including the date of any funding award and the closing of such funding award, HCDS must receive written notice of any material changes made to the project after application submittal. Material changes include but are not limited to changes or alterations regarding architectural design, energy efficiency and sustainability features, development team, lead developer or joint developer structure, ownership, proposed financing structure, supportive services, cash flow, operating subsidies, changes in development budget line items that show an increase that exceeds 10 percent, environmental and title conditions of the project site, land use approvals and permits, and community support for the project. Applicants must request and receive the HCDS' written approval

for any material changes. If the applicant undertakes material changes without approval, HCDS reserves the right, in its sole discretion, to withdraw, rescind, or modify any funding commitment.

Recipients of CDBG, HOME, HOME-ARP, and HOME-CHDO, funds will be required to execute a promissory note, deed of trust, regulatory agreement, and other related loan documents. Loan funds will not be disbursed until the loan is closed through escrow. Verifiable documentation of expenses must be submitted with all draw requests.

APPLICANT FINANCIAL CAPACITY

Applicants shall demonstrate financial capacity to perform administrative, managerial, and operational functions, and to oversee the work necessary for successful completion of the proposed development. To be eligible for financing, an applicant shall:

1. Exhibit prior work resulting in successful development of affordable rental housing. Successful development may include acquisition, construction, operation, acquisition with rehabilitation or any combination of accomplishments that created or preserved affordable housing.
2. Possess control of the proposed development site through fee title, option to purchase, disposition and development agreement with a public agency, land sales contract, leasehold with development provisions or any other enforceable instrument approved by HCDS.
3. Provide full disclosure of all associations between partners, contractors, and subcontractors. Conflict-of-interest laws and regulations will be strictly applied.

NOTE: It is the responsibility of each applicant to ensure that all of its employees, contractors, affiliates, agents, volunteers, and other personnel comply with all applicable laws and rules regarding conflicts of interest, including [California Government Code section 1090 et seq.](#), the Political Reform Act, and the County Administrative Code, including but not limited to [Section 67](#).

CONDITIONS

Applications for funding will be considered based on the threshold requirements and preferences/priorities criteria set forth in this NOFA. HCDS reserves the right to negotiate and award an allocation of funds to multiple applicants and may request additional information from applicants. In the event applications for funding exceed the amount of funding available, applications that meet all NOFA requirements and would otherwise be eligible for an award, may be placed on a waitlist for funding. HCDS may use the waitlist to award funds that become available up to three years after the NOFA close date. HCDS reserves the right to request and evaluate additional information from waitlisted applications prior to awarding funds. HCDS is not required to issue funds to waitlisted applications and reserves the right to issue a new NOFA in lieu of awarding funds to waitlisted applications. Placement on the waitlist is NOT a commitment of funding from HCDS and is NOT an indication of future award. Placement on the waitlist will NOT impact an application's score if the project applies under future NOFAs.

By the act of submitting a response to this NOFA, applicants acknowledge and agree to the terms and conditions of this NOFA and to the accuracy of the information submitted. All applications become the property of the County of San Diego 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. No confidential or proprietary information, including Personnel Information (PI) or Personal Identifiable Information (PII), is to be included in the non-confidential responses. If confidential or proprietary information is contained within the NOFA response, the documents must be submitted in a separate clearly labeled exhibit with all pages marked as "CONFIDENTIAL / PROPRIETARY."

It is understood and agreed upon by the applicant in submitting a NOFA response that the County has the right to withhold all information regarding this NOFA until after conditional awards are distributed, including but not limited to competitive development description information, competitive proposed financial capability, and HCDS' evaluation of NOFA responses. Information releasable after award is subject to the disclosure requirements of the Public Records Act, State of California Government Code [Section 6250](#).

NOTE: Applicants acknowledge that by applying under this NOFA, they are seeking benefit from a government entity. Applicants must acknowledge that all statements in their application are and will remain true; failure to comply with this commitment may violate the federal or state False Claims Act.

COST RECOVERY AND FEES

The Owner of any development funded through this NOFA will be required to pay **any and all** relevant fees that may be imposed by HUD or by the Board of Supervisors, and such fees may be enacted or amended from time to time. The Applicant is responsible for the payment of County staff time related to **Environmental Review**. Payment to the County shall be included with the development finance closing pro forma.

Developers are responsible for covering all costs associated with radon testing and mitigation to ensure the safety and health of residents. This includes initial radon testing, any necessary follow-up tests, and implementing mitigation measures if radon levels exceed acceptable thresholds. By assuming these fees, developers help maintain compliance with environmental safety standards and contribute to creating healthier living conditions. These costs should be factored into the proposal's operating pro forma.

NOTICE OF FUNDING AVAILABILITY APPLICATION

NOFA APPLICATION

All NOFA Application documents must be submitted as outlined in this section. Application documents will be supplemented with a completed NOFA Application Workbook (excel file). This section includes information about required documents to be submitted as a part of the completed NOFA Application. Each section of the NOFA response shall be labeled in the order shown on the table below. Any proposal may be construed as non-conforming and ineligible for consideration if it does not conform to the requirements of the NOFA. If a proposal is found to be non-conforming, the Applicant will be notified, and the proposal may no longer be considered for award.

TAB 1: GENERAL INFORMATION AND FINANCIAL FEASIBILITY

HCDS NOFA APPLICATION

Provide the following:

1. NOFA Application Workbook (Excel Workbook)

- A. Application Checklist
- B. Development Summary
- C. Additional Development Information
- D. Permanent Sources of Funding
- E. Permanent Uses of Funding
- F. Neighborhood Amenities Summary
- G. Acknowledgement
- H. Certification

2. Board Resolution

Submit copy of applicant's Board of Directors Resolution as noted in Attachment "D" entitled "Sample Board Resolution."

3. Partnership Agreements

As applicable, applicant must provide partnership agreements for the development.

4. Pro forma include at a minimum

- A. Rental Income Form, Operating Expense, Development Cost, Sources and Uses, Cash Flow and Development Pro forma for a minimum period of 55 years. The proposed financing structure and operating pro forma will be evaluated to determine feasibility during the affordability period.
- B. Loan terms/underwriting are subject to change at HCDS' sole discretion. HCDS reserves the right to require additional and/or revised conditions in the final documentation of the transaction and as reasonably necessary to protect the interests of HCDS and fulfill the intent of this NOFA.
- C. Loan terms include:
 - a. 3% simple interest
 - b. 55-year term
 - c. 50% residual receipts required, may be split proportionally with other public lenders
 - d. General partner loans may not be paid above County loans
 - e. Developer's fees may not exceed TCAC fee limits.
- D. Replacement Reserves:
 - a. For all rehabilitation developments, it is required that applicants budget a minimum of \$720 per unit, per year in the replacement reserve. HCDS reserves the right to require higher replacement reserves based on a capital needs assessment that includes an

analysis of all major systems, remaining useful life and projected replacement needs.

5. Enforceable Commitments and Financial Feasibility

- A. Due to program commitment and expenditure deadlines, **all local funds, other than HCDS funding sources, shall be secured prior to applying for funds available through this NOFA.** Applicants that have not provided legitimate evidence of funding commitments from all funding sources will be deemed “non-responsive.”
- B. Funding Commitments from other lenders must be submitted on the company’s letterhead, signed, and should include the following information:
 - a. Lender’s Name,
 - b. Title of the signatory,
 - c. Contact details of the responsible person, including e-mail address and telephone number.
- C. Note that senior lenders must subordinate to HCDS regulatory requirements. HCDS must be informed if the applicant intends to request subordination of HCDS’ financial interests.
- D. Provide list of enforceable commitments or reservations of rental or operating subsidies as well as any fundraising plans.
- E. Describe a plan for repayment of the requested amount of HCDS NOFA funds.
- F. If the funding for the proposed development is in part dependent upon the award of LIHTC or bonds, provide a financial contingency plan that will be implemented in the event, financing is denied. Provide a description of specific amounts, sources, likelihood of award, and timing of alternative funding, as well as how the development will be scaled down, if necessary.
- G. Describe the plan to maintain operations and financial feasibility for the full 55- year affordability period.
- H. Describe any in-kind contributions to the development. Include the name(s) of the contributors, the items or services being provided, and the value of the contributions.

TAB 2: DEVELOPMENT OVERVIEW

1. Development Narrative

Provide a brief narrative overview that includes the following information:

- A. Development location.
- B. Existing use of the site and proposed development/design.
- C. Number of units and unit type.
- D. Development amenities.
- E. Development goals/objectives.
- F. Community Impacts:
 - a. Housing Impact: Explain how the development will avoid an overconcentration of low-income housing in the area. Identify any existing housing developments or facilities that serve similar needs within the community.
 - b. Community Planning/Sponsor groups: Describe any involvement with community planning or sponsor groups.
 - c. Community Outreach and Engagement: Outline the efforts made to engage and involve the community in the development process.
 - d. Access to Medical Care and Social Services: Provide information about the availability and accessibility to medical care (e.g., emergency care, outpatient services, long-term care, and extended care) and social services that are typically required by future residents in the development.

2. Attachment “G” Estimated Development Timeline

Submit a copy of the completed Attachment “G” Estimated Development Timeline.

3. Consistency with Land Use and Zoning

Provide documentation that the development site conforms with zoning and that all necessary land use approvals are complete.

- A. At the time of application, applicant shall demonstrate the development site’s zoning will permit the development, as proposed,
- B. Confirm the Development is consistent with the site zoning requirements, General Plan designation, and the local community plan,
- C. Submit proof that all necessary land use, zoning, permitting, or building plans have been approved. If land use approvals are pending, provide a reasonable plan and timeline detailing how the applicant will obtain any land use approvals for the development.

4. Evidence of Site Control

Applicants must possess control of the proposed development site with adequate provisions or any other enforceable instrument. Provide documentation of site control with one of the following:

- A. Fee title,
- B. Option to purchase,
- C. Disposition and development agreement with a public agency,
- D. Land sales contract or,
- E. Leasehold.

5. Development Design and Implementation

Provide a description for the following if applicable:

- A. Environmentally sustainable development features and technologies.
 - a. Environmentally sustainable features may integrate practices that exceed green building standards ([LEED](#) or equivalent) for the design, development, construction, and operations of affordable housing that promote sustainability measures that increase energy-efficiency by utilizing environmentally preferable products for the building envelope, renewable resources, and decrease production of waste/hazardous materials. Reference the following links for more detailed requirements: [California Energy Code Title 24](#), [2021 EICC Standards](#), and California Tax Credit Allocation Committee ([CTCAC](#)).
 - b. Below is a summary of possible environmental design elements. These are not required but if they are included, please include how these measures will be implemented at the proposed development.
 - i. **Energy Efficiency & Renewable Energy:** onsite renewable generation estimated to produce 50 percent or more of annual electricity consumption.
 - ii. **Water Efficiency:** design or reevaluate existing landscape conditions for the provision of efficient irrigation systems that aim at minimizing water usage without compromising the aesthetics and functionality of outdoor spaces. Landscape design shall incorporate a variety of native plants and trees species that require low water usage.
 - iii. **Environmentally Preferable Building Materials & Specifications:** design incorporating environmentally preferable products (EPPs) for the construction of the affordable housing development.
 - iv. **Toxic/Toxins Reduction:** design deterring from utilizing construction products

and materials with toxic chemicals found in flooring, paint, sealant, flame retardants, and insulation.

- v. **Indoor Air Quality:** design with energy efficient systems in place to circulate and filter the air in the structure.
 - vi. **ENERGY STAR:** inclusion [ENERGY STAR](#) appliances throughout the project to reduce operating costs and decrease greenhouse gas emissions.
- B. Various levels of safety design features, technologies, and policies for tenants.
 - C. How the development will incorporate the use of universal design principles and/or design features.

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

Applicants are required to demonstrate the proposed development is consistent with the current HUD-approved [Consolidated Plan](#) for the County of San Diego, and if applicable, for the jurisdiction where the development is located.

TAB 3: APPLICANT EXPERIENCE

1. Applicant Experience

Describe Owner's, Developer's, and Property Manager's experience, as indicated below. Provide supporting documents for each entity:

- A. Mission Statement.
- B. Past activities/experience with similar developments.
- C. Administrative structure/organizational chart.
- D. Describe how each partner entity (owner, developer, and property manager) integrates Diversity, Equity, and Inclusion throughout the organization. This includes, but is not limited to, the organization's workplace values, hiring and training practices, as well as the composition and involvement of its Executive Leadership and Board of Directors.

2. Technical Capacity

Describe the development team's technical capacity and experience, including but not limited to acquisition, sale, rehabilitation, construction, management, operation and ability to deliver high quality services to the targeted resident population.

- A. Attach resumes of staff specifically assigned to this development. Include credentials of the development's team members.
- B. Provide a summary of real estate owned including date of operation, location, total number of units, and tenant population for each development.
- C. Provide a summary of real estate managed by the property manager including date of operation, location, total number of units, and tenant population of each development.

TAB 4: TENANT POPULATION AND SUPPORT SERVICES

The Development may include a tailored, highly effective strategy that integrates affordable housing with coordinated services. This approach should specifically address the needs of the residents, with the goal of helping them maintain stable housing and receive appropriate support.

Applicants must specify the type and level of supportive services intended to be provided to special needs populations, if applicable. Additionally, applicants must submit evidence demonstrating their commitment to these services, along with information about the service provider's qualifications and capacity to deliver them.

Please note that housing developments funded by programs such as CDBG may support rental

housing for special needs populations. However, residents cannot be required to use supportive services; instead, these services must be offered on a voluntary basis.

1. Target Population and Support Services

Provide a brief narrative overview that includes the following information:

- A. Proposed tenant population(s) for the development.
- B. Number of units and unit types allocated for each tenant population.

2. Supportive Services Narrative

If supportive services are provided to residents, provide a brief narrative overview regarding the proposed service provider experience and services to be offered at the development include:

- A. Provider experience with proposed tenant population.
- B. Support services descriptions, including service model, services offered, staffing plan with full-time equivalents (FTEs) and location of services (on site or off site).
- C. Role of Peers/Peer Support Specialists in service delivery.
- D. Services budget and funding sources.
- E. How the development will empower families and individuals achieve self-sufficiency.

3. Evidence of Supportive Services

If supportive services are provided to residents, provide a Memorandum of Understanding (MOU) or similar agreement between the owner and service provider, if the service provider is from a 3rd-party organization. In addition, submit a narrative summary of partnership history.

TAB 5: MANAGEMENT PLAN

1. Affirmative Fair Housing Marketing Plan

An [Affirmative Fair Housing Marketing Plan \(AFHMP\)](#) shall outline methods of informing potential tenants about fair housing laws and contractor policies. An AFHMP shall contain a plan outlining how the applicant will affirmatively market the assisted units. In addition, the AFHMP must contain a plan outlining the special outreach actions to inform persons who would not be likely to apply for the assisted housing without special outreach efforts. An [AFHMP](#) must include all items outlined in this NOFA and must be submitted as part of the complete application packet. If awarded funding, the AFHMP must be approved by the U.S. Department of Housing and Urban Development (HUD) and submitted to HCDS prior to leasing units.

2. Management Plan

The applicant will be required to submit a Management Plan for review and approval, pursuant to [24 CFR 92.253](#). Additionally, HCDS requires a Site Safety & Security element incorporated into the management plan. A copy of the sample lease agreement and any addenda are also required in the submittal of this proposal. Reference Attachment “F” entitled “Management Plan Requirements.” The Management Plan must address all items outlined in Attachment “F.”

3. Smoke Free Housing

Develop and implement smoke-free policies to protect residents and guests from secondhand smoke in accordance with HUD’s Rule to Restrict Smoking. Proposals shall include policies that prohibit use of cigars, cigarettes, electronic cigarettes, and marijuana (including use for medicinal purposes).

Provide copies of smoke-free environment policies that specify how the development will implement programs onsite that include evidence of intent to commit to smoke-free housing. The

smoke free policy shall be included in the applicable housing plans and tenant leases.

NOTE: In the development of the comprehensive Management Plan and smoke-free policies, the Property Management team shall ensure these policies shall not lead to housing discrimination.

TAB 6: REPORTS

Any narrative responses submitted under this section will not be considered. Applicants shall only include reports and documents as noted below.

1. Appraisal

Submit an appraisal that meets 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 developments. A review appraisal, in accordance with [49 CFR 24.104](#) of the URA, will be required for an “Involuntary Acquisition.”

2. Audited Financial Statement and Single Audit

Submit current audited financial statements that include surplus or deficits in operating accounts, a detailed itemized listing of income and expenses and the amounts of any fiscal reserves.

NOTE: Audited Financial Statements:

- 1. Past 12 months**
- 2. Audit shall be certified by State of CA licensed independent CPA**

Any non-federal entity, including state, local government, and non-profit organizations, that expend **\$1,000,000 or more in a year** in federal awards shall have a **Single Audit**, as specified in [2 CFR 200](#), conducted for that year. As applicable, a copy of the **Single Audit** with **written notification of the results** shall be submitted with the application. In addition, in compliance with all federal requirements, provide HCDS with the **corrective action plan for any deficiencies identified** in the Single Audit and the latest status of the corrective action plan.

3. Environmental Review and Related Reports

Applicant shall provide a Phase I environmental assessment in addition to any related studies that may include but are not limited to, soils report, lead and asbestos survey, noise and traffic study completed for the proposed development site.

The proposed development will be subject to review under the California Environmental Quality Act (CEQA) and the CEQA Guidelines (California Code of Regulations, [Title 14, Division 6, Chapter 3, Sections 15000-15387](#)), and the National Environmental Policy Act (NEPA) in accordance with HUD [24 CFR Part 58](#) environmental regulations. CEQA review must occur as a part of the land development process required by the local jurisdiction. County of San Diego staff will prepare and/or review the CEQA and NEPA documentation, as appropriate. Applicants will be apprised of the progress of the environmental processing and anticipated date of HUD's Release of Funds.

From the time the application has been submitted, the applicant must not commit funds or take any choice-limiting actions, as defined by HUD [24 CFR Part 58.22](#) regulations (including, but not limited to, property acquisition, contracts for excavation, filling, construction, rehabilitation or other physical activities), until completion of the environmental process and HUD's formal

Release of Funds, regardless of whether the work would be accomplished with federal funds or other matching funding. Failure to comply will jeopardize the availability of HUD funds for the development. The County may conduct the NEPA environmental review, as applicable, using information provided in the application.

NOTE: The applicant is responsible for the payment of County staff's time related to Environmental Review. Payment to the County shall be included with the development's construction finance closing.

Phase I Environmental Site Assessment (Phase I ESA)

The proposed development shall provide an approved Phase I ESA Report in accordance with [ASTM E-1527-21](#) Standards. Provide a Phase II ESA Report if a Recognized Environmental Condition (REC) is found during the Phase I ESA process. The Phase II ESA may be required with the proposal submittal only if Phase I ESA determined significant amounts of contaminants that require remediation, monitoring, or potentially create land use limitations. Contingent upon the results of Phase II ESA Report, a Phase III ESA may be necessary to submit with the proposal and shall include a remediation plan, devising a strategy to catch and correct any discovered environmental issue initiated by the Phase II ESA report.

NOTE: Phase I ESA Report shall be submitted with the NOFA application.

A proposed development may be required to complete asbestos, radon, and lead surveys to determine the presence or absence of asbestos-containing materials (ACMs), radon gas, or lead-based paint (LBP) prior to issuance of a building permit that includes demolition of onsite structures and prior to commencement of demolition or renovation activities and prior to occupancy by residents.

The County may require testing for asbestos, residual pesticides, mold, water damage, and the completion of a HAZMAT Report for asbestos and lead paint.

Demolition or renovation of structures on sites constructed prior to 1980 may have LBP, ACMs or other hazardous materials and shall conform with hazardous waste disposal requirements as stipulated in California Code of Regulations (CCR), [Title 22, Div. 4.5](#), worker and health safety requirements [Title 8, Sec. 1532.1-Lead](#), State Lead Accreditation, Certification, and Work Practice Requirements of CCR [Title 17, Div. 1, Chapter 8](#), the Health and Safety Code [Division 20, Chapter 6.95, Article 2, Section 25531-25543.3](#) and other local, state and federal regulations. LBP regulations, effective September 2000, appear in [24 CFR Part 35](#). Further information on LBP hazard reduction can be obtained from the [HUD Office of Lead Hazard Control and Healthy Homes](#).

Demolition or renovation operations must conform to San Diego Air Pollution Control District (SDAPCD) [Rule 1206](#).

Time requirements for these reviews vary depending upon the potential environmental impact. This process is also consistent with HUD regulations ([24 CFR Part 58](#)), which state, *"It is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property"* [24 CFR 58.5\(i\)\(2\)\(i\)](#).

Radon Requirements in Environmental Reviews

Applicant shall abide by the regulations and requirements of HUD-issued Notice [CPD-23-103](#) addressing radon in the environmental review process pertaining to HUD-assisted projects. The Notice states that radon must be “considered” when conducting contamination analysis required by HUD’s environmental review regulations [24 CFR parts 50](#) or [58](#). The Notice does not impose radon testing requirements, though it does include guidance on strategies for considering radon in site contamination analysis. For additional information about radon, including HUD’s policies and guidelines on radon mitigation, please visit the official HUD Exchange website at [HUD’s Radon Program Page](#).

4. Market Study

Applicant shall submit a market needs study that examines neighborhood market conditions to ensure adequate need for the proposed development for which funds are to be used. The market study should include the following: market trends, market area, housing supply and a competitive analysis. Data must be recent, within the last six months, and include at least three rental housing developments similar in size and amenities to the proposed development. In addition to demonstrating that rents will be at least ten percent below market rents.

5. Preliminary Title Report

Applicant shall provide a preliminary title report.

TAB 7: REHABILITATION PROJECTS (as applicable)

1. Rehabilitation Estimate

All HCDS-funded developments involving rehabilitation must include a physical needs assessment for 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.

An adequate 15-year replacement reserve analysis must be provided to identify the current condition of all building elements in the development, (roof, plumbing, electrical, exterior, interior), 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 replacement will be required. 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.

2. Physical Needs Assessment

Proposals involving rehabilitation must contain specific information on the physical condition of the structure(s), estimated cost of the rehabilitation work, and may require testing of major building systems. A Physical Needs Assessment (PNA) conducted by an independent third party shall be submitted for proposals involving rehabilitation activities. The PNA shall include repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15-years. Applicants are encouraged to obtain a PNA prior to making a final offer for property purchase. To prevent delays, applicants shall provide a termite report for any proposal involving acquisition of existing housing and/or structures that will be renovated. Additionally, testing for asbestos, lead base paint, residual pesticides, mold, and water damage may be required.

3. Rehabilitation Standards

Rehabilitation activities under CDBG shall conform to Rehabilitation Standards pursuant to [24 CFR 5.703](#).

TAB 8: RELOCATION (as applicable)

1. Acquisition and Relocation Requirements

All developments shall comply with applicable state and federal relocation laws including [California Government Code Section 7260 et seq.](#) and [25 CCR Section 6000 et seq.](#) Developments are subject to the [Uniform Relocation Assistance and Real Property Acquisition Act of 1970 \(URA\)](#), as revised, and [Section 104\(d\) of the Housing and Community Development Act of 1974](#), as amended.

2. Relocation Plan

NOFA applications involving relocation of residents, residential or commercial, shall include an anti-displacement/relocation plan in compliance with local, State and/or federal relocation laws, as applicable by funding source. Applicants are strongly encouraged to contract with a relocation consultant to manage the relocation process. Developments may be subject to California Government Code [Section 7260 et seq.](#) and [25 CCR Section 6000 et seq.](#) and/or the California Relocation Assistance Act or Uniform Relocation Assistance and Real Property Acquisition Act of 1970 ([URA](#)), as revised. [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 rolls, as of the date of submission, detailing family income, household characteristics and current rent paid per household.

3. Relocation Noticing

A Voluntary Acquisition Notice shall 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. Upon submittal of the NOFA application, tenants (residential or commercial) must receive a written General Information Notice notifying tenants of their rights under the URA, as revised. New rental applicants to the proposed development must also receive a written notification, "Notice to Prospective Tenant," informing them of the proposed acquisition/rehabilitation of the property. All notices must be hand delivered or sent via U.S. Certified Mail. Applicant must document the manner of delivery and provide delivery receipts. Applicants are strongly encouraged to contract with a relocation consultant to manage the relocation process. Applicants are responsible for ensuring that their selected consultant complies with applicable local, state and/or federal relocation requirements.

NOTICE OF FUNDING AVAILABILITY APPLICATION ACKNOWLEDGMENT

NOFA APPLICATION ACKNOWLEDGMENT

Applicants shall complete the Acknowledgement included in the NOFA Application Workbook confirming that if awarded they are responsible for complying with all applicable county, state, and federal requirements per funding source(s) awarded and as noted in the NOFA documents and applicable rules, regulations and guidelines.

The information included in the NOFA is not inclusive of all county, state, and federal rules, regulations and guidelines. It is the responsibility of the applicant to review additional information available as linked throughout this NOFA. The Acknowledgement Tab of the NOFA Application Workbook is supplemented by information included here and in the NOFA Attachments.

1. Accessibility

Applicant shall comply with the accessibility requirements as stated in [Section 504](#) of the Rehabilitation Act, the [Fair Housing Act](#), [California's Fair Employment and Housing Act](#), the [Unruh Civil Rights Act](#), and all other federal and California laws and regulations that are applicable to the funding sources. The applicant must demonstrate how the proposed development will comply with all applicable laws regarding accessibility, both for individuals and all common areas. Applicants shall ensure that any other applicable federal, state, and local accessibility requirements are met.

2. Applicant, Developer, and Contractor Debarment

All Applicants, developers, construction contractors, and subcontractors must not be on the Excluded Parties List/SAM.gov, OIG Exclusions database, Federal Debarred Contractors List, or the State of California Medi-Cal Suspended and Ineligible Provider List. Housing developers must verify compliance before awarding the construction contract(s). 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 or State assistance programs.

NOTE: Prior to award of any contract or subcontract, applicant must provide proof of compliance, to include exclusion records from the following Agencies:

1. System for Award Management (SAM),
2. OIG Exclusions Database, and
3. the State of California Medi-Cal Suspended and Ineligible Provider List.

3. Competitive Bidding Requirements

Housing Developers shall obtain competitive bids or estimates for all materials purchased and work to be accomplished by contractors and subcontractors. Documentation of such competition shall be maintained for review during monitoring visits. For work to be accomplished by construction contractors or subcontractors, a formal Request for Bids (RFB) package and advertisement shall be prepared and retained for review during County construction monitoring.

Applicants seeking funding under this NOFA shall procure construction services in the following manner:

- A. If the applicant is a general contractor, the applicant may self-perform and, where subcontracting more than one-(1) percent of the total work, obtain the subcontractor through formal bidding.
- B. If the applicant is not a general contractor, it shall:
 - (a) Conduct a competitive procurement process for a general contractor,

obtaining at least three (3) 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 one-(1) percent of the work; or

(b) Conduct a competitive process in substantial compliance with [Public Contract Code section 22160 et seq.](#)

C. The applicant shall comply with all requirements in [2 CFR 200](#), of the Code of Federal Regulations.

NOTE:

- 1. Request for Bids (RFB): The RFB package must include a copy of the Federal Labor Standards Provisions, form [HUD-4010](#), and the current Davis-Bacon Act [wage determination](#).**
- 2. Advertisement**

4. **Monitoring**

Successful NOFA proposals will be monitored based on the specific regulatory requirements of the funding source. HCDS will charge fees to cover the cost of ongoing monitoring and physical inspection of developments during the period of affordability as specified by the Board of Supervisors.

An initial compliance monitoring fee of \$4,000 is **due and payable to HCDS 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” issued by HCDS.

NOTE: Compliance/Monitoring Fees shall be included in the cost of the development as part of underwriting.

5. **Participation of Disabled Veterans Business Enterprises (DVBEs) and Minority- and Women-Owned Business Enterprises (MWBEs)**

In accordance with the County of San Diego Board [Policy B-39A](#), all recipients must ensure that every effort is made to provide equal opportunity to DVBEs and to encourage the participation of MWBEs as contractors and subcontractors. Successful applicants will be required to provide a summary of efforts that will be made to encourage the utilization and participation of DVBEs and MWBEs.

6. **Equal Opportunity**

Equal opportunity is encouraged in procurement and contract award. Toward this end, proposals from DVBEs, MWBEs, Section 3 Business Concerns ([24 CFR Part 75](#)) and local firms are strongly encouraged. Prime contractors are encouraged to subcontract with these firms.

7. **Pre-Construction Conference**

Successful applicants shall hold a pre-construction conference with the bid-winning contractor and subcontractor(s) following contract award and before commencement of construction. The pre-construction conference must announce if Federal Labor Standards and Davis-Bacon Act requirements apply. Maintain copies of payrolls on file for review during monitoring visits. In addition, the pre-construction conference must announce if the requirements of Section 3 ([24 CFR 75](#)) apply. The project administrator must promptly review all Section 3 requirements upon receipt, sign, and date. Minutes of the pre-construction conference that document the discussion

of federal regulations shall be kept in the project files.

8. Prevailing Wage Rates/Davis-Bacon

All developments funded through this NOFA process are public works within the meaning of Labor Code [Section 1720](#), and it will be the applicant, developer's, and owner's responsibility to ensure compliance with California's Prevailing Wage Laws, Labor Code [Section 1770](#) et seq. and all regulations and wage orders that may apply. Generally, developments funded using federal funds (CDBG, HOME or PBVs) require compliance with the Davis-Bacon Act and require payment of Federal Davis-Bacon Wage rates and/or State Prevailing Wages to construction workers. Applicants must use the required wage rates in the calculation of project development costs. The Davis-Bacon Wage Act ([40 U.S.C. 276a – 276a-5](#)) requires the payment of wages to laborers and mechanics at a rate not less than the minimum wage determination specified by the U.S. Secretary of Labor. Wage determinations are available at <https://sam.gov/content/wage-determinations>. CDBG projects must comply when rehabilitation of residential property contains eight or more units.

Successful applicants will be required to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, County staff, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and other methods of submission is allowed in situations where the contractor is unable or limited in its ability to use or access the electronic system. County staff will conduct monitoring of labor compliance documents. Weekly review of certified payroll reports is required. The applicant must use either the Department of Labor's [WH-347](#) payroll form or any other type of payroll form that contains all the information required on the [WH-347](#) form. The applicant shall conduct compliance reviews of the project by conducting Employee Interviews as required by [Davis-Bacon](#) labor standards. [Form HUD-11](#) (Record of Employee Interview) must be used to conduct employee interviews and records must be stored in a secure location. The applicable Davis-Bacon Wage Decision, including modifications, and the Federal Labor Standards Provisions must be included in the project bid documents and/or contract specifications for any work subject to Davis-Bacon Prevailing Wage requirements.

NOTE: If there is a wage discrepancy between Davis-Bacon and California Prevailing Wage laws, the applicant shall comply with the stricter requirement.

9. Title Insurance

Submit a California Land Title Association (CLTA) or an American Land Title Association (ALTA) policy insuring the County of San Diego.

NOTICE OF FUNDING AVAILABILITY ATTACHMENTS

NOFA ATTACHMENTS

ATTACHMENT A – Required Federal Provisions

Applicants that receive federal funding sources shall be prepared to comply with the following federal provisions, as applicable.

1. **Broadband Infrastructure**

HUD requires installation of broadband infrastructure at the time of new construction and substantial rehabilitation of multifamily rental housing that is funded or supported by HUD under CDBG regulations [24 CFR 5.100](#), [24 CFR 570.202\(g\)\(1\)\(2\)\(3\)](#), and [24 CFR 570.204\(a\)](#).

2. **Build America Buy America (BABA)**

BABA, also known as Buy America Preference (BAP), [2 CFR Part 184](#) applies to any project that involves the construction, alteration, maintenance, or repair of public infrastructure, regardless of whether infrastructure is the primary purpose of the project. Since the term “infrastructure” includes the structures, facilities, and equipment for “buildings and real property”, this generally applies to funds provided for housing projects with five or more units. BABA requires that all iron, steel, manufactured products, and construction materials used for federally funded infrastructure projects are produced in the United States. On April 18, 2022, the Office of Management and Budget (OMB) issued [Memorandum M-22-11](#) regarding application requirements to federal financial assistance programs and awards for infrastructure projects. BABA requirements apply to ALL infrastructure projects funded with Federal Financial Assistance provided by HUD after November 14, 2022, unless a waiver applies.

3. **Byrd Anti-Lobbying Amendment**

In accordance with [31 U.S.C. 1352](#) and related regulations, (a) Contractor certifies, and shall require each lower-tier recipient (as that term is defined in 31 U.S.C. 1352) to certify to the tier above, that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any covered federal contract, grant or any other award covered by 31 U.S.C. 1352, and (b) Contractor shall disclose, and shall require each lower-tier recipient to disclose to the tier above, any lobbying with non-federal funds that takes place in connection with obtaining any covered federal award.

4. **Clean Air Act and the Federal Water Pollution Control Act** [for contracts more than \$150,000]

- A. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, [42 U.S.C. 7401 et seq.](#)
 - a. The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the appropriate federal agency, and the appropriate Environmental Protection Agency (EPA) Regional Office.
 - b. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance.
- B. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, [33 U.S.C. 1251 et seq.](#)
 - a. The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the appropriate federal agency, and the appropriate Environmental Protection Agency Regional Office.

- b. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance.

5. **Contract Work Hours and Safety Standards Act** [for contracts more than \$100,000 that involve the employment of mechanics or laborers]

If mechanics or laborers are to be employed under this Agreement, Contractor shall comply with [40 U.S.C. 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR 5](#)). Contractor shall compute the wages of every mechanic and laborer based on a standard work week of 40 hours. Work more than the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half (1.5) times the basic rate of pay for all hours worked more than forty (40) hours in the work week. Contractor shall not require any laborer or mechanic to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous.

6. **Copeland Anti-Kickback Act** [for construction or repair contracts more than \$2,000]

- A. Contractor. The Contractor shall comply with [18 U.S.C. 874](#), [40 U.S.C. 3145](#), and the requirements of [29 CFR Part 3](#), as may be applicable, which are incorporated by reference into this Agreement.
- B. Subcontractors. The Contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as the federal funding agency may be appropriate instructions required, as well as a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all these contract clauses.

Breach. A breach of the contract clauses above may be grounds for termination of the Agreement, and for debarment as a Contractor and subcontractor as provided in [29 CFR 5.12](#).

7. **Davis-Bacon Act** [for construction contracts more than \$2,000]

- A. All transactions regarding this Agreement shall be done in compliance with the [Davis-Bacon Act](#) (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of [29 CFR 5](#), as may be applicable. The Contractor shall comply with [40 U.S.C. 3141-3144, and 3146-3148](#) and the requirements of [29 CFR 5](#), as applicable.
- B. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- C. Additionally, contractors are required to pay wages not less than once a week.

8. **Debarment and Suspension**

- a. This Agreement is a covered transaction for purposes of [2 CFR 180](#) and [2 CFR 3000](#). As such, the Contractor is required to verify that none of the Contractor's principals (defined at [2 CFR 180.995](#)) or its affiliates (defined at [2 CFR 180.905](#)) are excluded (defined at [2 CFR 180.940](#)) or disqualified (defined at [2 CFR. 180.935](#)).
- b. The Contractor must comply with [2 CFR 180, subpart C](#) and [2 CFR 3000, subpart C](#), and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- c. This certification is a material representation of fact relied upon by County. If it is later determined that the Contractor did not comply with [2 CFR 180, subpart C](#) and [2 CFR 3000, subpart C](#), in addition to remedies available to county, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

9. **Environmental Review Requirements**

The proposed development will be subject to an Environmental Review under the California Environmental Quality Act (CEQA) and the CEQA Guidelines (California Code of Regulations, [Title 14, Division 6, Chapter 3, Sections 15000-15387](#)), and the National Environmental Policy Act (NEPA) in accordance with HUD [24 CFR Part 58](#) environmental regulations. County of San Diego staff will prepare and/or review the CEQA and NEPA documentation, as appropriate. Please reference the Environmental Review section Pg. 19 for more details.

10. Equal Opportunity and Compliance

The Contractor shall comply with all applicable federal, state, and local nondiscrimination and equal opportunity laws, including [Executive Order 14173](#), the [Fair Housing Act](#), and all applicable California civil rights and fair housing laws (including the [California Fair Employment and Housing Act](#)). The Contractor shall not discriminate in employment or service delivery on the basis of any protected characteristic under applicable law and shall take appropriate action to ensure equal opportunity in hiring, employment practices, and housing-related activities. The Contractor shall include this provision in all subcontracts, comply with applicable reporting and access requirements, and cooperate with any authorized compliance reviews or investigations. Noncompliance may result in suspension, termination, or other remedies permitted by law.

11. Procurement of Recovered Materials

- A. In the performance of this Agreement, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - a. Competitively within a timeframe providing compliance with the contract performance schedule.
 - b. Meeting contract performance requirements; or
 - c. At a reasonable price.
- B. Information about this requirement, along with the list of EPA-designated items, is available at [EPA's Comprehensive Procurement Guidelines](#).
- C. The Contractor also agrees to comply with all other applicable requirements of the Solid Waste Disposal Act, [40 CFR Part 247](#).

12. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

In accordance with [2 CFR 200.216](#), Contractor and its subcontractors are prohibited from expending funds under this Agreement to:

- A. Procure or obtain.
- B. Extend or renew a contract to procure or obtain; or
- C. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232, section 889](#), covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - a. For public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - b. Telecommunications or video surveillance services provided by such entities or using such equipment.

- c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

13. Contracting with Small and Minority-Owned Business Enterprises, Women-Owned Business Enterprises and Labor Surplus Area Firms

Contractor shall, in accordance with [2 CFR 200.321](#), take affirmative steps to include minority-owned business enterprises, women-owned business enterprises and labor surplus area firms by:

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

ATTACHMENT B – Program Basics

This information is highly abridged and is applicable only to this NOFA. Applicants are responsible for reviewing and adhering to the complete regulations for each funding source applied:

CDBG: COMMUNITY DEVELOPMENT BLOCK GRANT

HCDS is announcing fund availability through the CDBG Program for the acquisition of real property for the intended use of affordable housing development and/or rehabilitation of existing housing. Housing developments with allocation of CDBG funds must be located within eligible municipalities and shall comply with eligible uses. CDBG funds cannot be used to construct new housing. Acquisition-only developments may not be carried out by for-profit entities. Applicants who wish to pursue CDBG funding must ensure their proposed developments fully comply with all federal laws and regulations, including those prescribed in [Title 24](#) of the Code of Federal Regulations (CFR).

AFFORDABILITY PERIOD REQUIREMENTS

HCDS imposes affordability restrictions of 55 years for all CDBG-funded NOFA developments. HUD minimum affordability requirements mandate that real property acquired or improved with CDBG funds more than \$25,000 must be operated in accordance with CDBG affordability requirements until five years after the closeout of the grant from which the assistance to the property was provided. All developments shall maintain compliance with a national objective or the CDBG Program funding must be reimbursed. Proposals awarded CDBG funds must comply with affordability requirements pursuant to [24 CFR 570](#), as amended from time to time.

ASSISTED UNIT RESTRICTIONS

- An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, must be occupied by at least 51 percent low- and moderate-income households, except in rare circumstances as defined in [24 CFR 570.208\(a\)\(3\)](#).
- Funds expended for acquisition or rehabilitation of property for housing that qualifies under [24 CFR 570.208\(a\)\(3\)](#) are limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction, or rehabilitation by the percent of units in such housing to be occupied by low- and moderate-income persons.
- The rent and occupancy restrictions will be incorporated into a regulatory agreement and will bind the development 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.
- Rental housing acquisitions funded with CDBG shall be conducted by a non-profit or public agency, as for-profit entities are prohibited from acquisition only CDBG developments.

JURISDICTION

HCDS may only invest CDBG funds in eligible developments within the jurisdictional boundaries of the CDBG Urban County, which consists of the Unincorporated Areas of the County and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

ATTACHMENT C – Sample Insurance Requirements

BORROWER’S INSURANCE REQUIREMENTS

Without limiting Borrower’s indemnification obligations to County, Borrower shall provide at its sole expense and maintain for the duration of this contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of the work by the Borrower, his agents, representatives, employees or subcontractors.

1. Minimum Scope and Limit of Insurance

Coverage shall be at least as broad as:

- A. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including premises, operations, products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit (\$4,000,000).
- B. **Automobile Liability** covering all owned, non owned, hired auto Insurance Services Office form CA0001, with limit no less than \$1,000,000 each accident for bodily injury and property damage.
- C. **Workers’ Compensation**, as required by State of California and Employer’s Liability Insurance, with limits no less than \$1,000,000 each accident for bodily injury or disease. Coverage shall include waiver of subrogation endorsement in favor of County of San Diego.
- D. **Property Insurance** against all risk or special form perils, including Replacement Cost coverage of all real and personal property with no coinsurance penalty provision and without deduction for depreciation. Covering Borrower’s merchandise, fixtures owned by Borrower, any items identified in the loan as improvements to the Premises constructed and owned by Borrower, and the personal property of Borrower, its agents and employees. The policy shall provide for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery, and equipment and provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the County site.

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 by the Borrower. Any available insurance proceeds more than the specified minimum limits and coverage stated above, shall also be available to the County of San Diego.

2. Self-Insured Retentions

Self-insured retentions must be declared to and approved County Risk Management. County may require the Borrower to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention (SIR) may be satisfied by either the named insured or County. Any and all deductibles and SIRs shall be the sole responsibility of Borrower or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Borrower to fund the

SIR/deductible. Policies shall NOT contain any SIR provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.

3. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

A. Additional Insured Endorsement

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 are to be covered as additional insureds on the General Liability policy with respect to liability arising out of work or operations performed by or on behalf of the Borrower including materials, parts, or equipment furnished in connection with such work or operations. General Liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO form CG 2010 11 85 or **both** CG 2010, CG 2026, CG 2033, or CG 2038; **and** CG 2037 forms if later revisions used).

B. Primary Insurance Endorsement

For any claims related to this loan, Borrower's insurance coverage, including any excess liability policies, shall be primary and non-contributory at least as broad as ISO CG 20 01 04 13 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, its officers, employees, or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.

C. Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County. In the event of any potential or unforeseen cancellation, the Borrower shall notify the County no later than one business day after such information becomes known to the Borrower.

D. Severability of Interest Clause

Coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.

E. Loss Payee Clause

Property policy shall name County as loss payee as its interests may appear. Loss, if any, shall be adjustable with and payable to the County as trustee for all entities having an insurable interest, except in such cases as may require payment of all or a proportion of such insurance to be made to a mortgagee as its interest may appear.

GENERAL PROVISIONS

4. 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.

5. Umbrella or Excess Policy

Borrower may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor’s primary and excess liability policies are exhausted.

6. Evidence of Insurance

Prior to commencement of this loan, but in no event later than the effective date of the loan, Borrower shall furnish the County with a copy of the policy declaration and endorsement pages along with the certificates of insurance and amendatory endorsements effecting coverage required by this clause. Policy declaration and endorsement pages shall be included with renewal certificates and amendatory endorsements submissions and 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. Additionally, the “Certificate Holder” box should designate the address of the responsible department or department representative to ensure the documents are received by the appropriate party.

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

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

8. No Limitation of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by 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 loan, 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 loan 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 loan. Borrower’s utilization of self-

insurance shall not in any way limit liabilities assumed by Borrower under the loan.

11. Claims Made Coverage

If coverage is written on a “claims made” basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

- A. The policy retroactive date coincides with or precedes Contractor’s commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).
- B. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- C. If insurance is terminated for any reason, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.
- D. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

12. Subcontractors’ Insurance

Borrower shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Borrower shall ensure that Entity is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13. If any sub contractor’s coverage does not comply with the foregoing provisions, Borrower shall defend and indemnify the County from any damage, loss, cost, or expense, including attorneys’ fees, incurred by County as a result of subcontractor’s failure to maintain required coverage.

13. Waiver of Subrogation

Borrower hereby grants to County a waiver of their rights of subrogation which any insurer of Borrower may acquire against County by virtue of the payment of any loss. Borrower agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

INSURANCE REQUIREMENTS FOR CONSTRUCTION CONTRACTORS

Without limiting Contractor’s indemnification obligations to County, Contractor shall provide at its sole expense and maintain for the duration of this contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of the work by the Contractor, his agents, representatives, employees or subcontractors.

1. Minimum Scope and Limit of Insurance

Coverage shall be at least as broad as:

- A. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this

project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit (\$10,000,000).

- B. **Automobile Liability** covering all owned, non owned, hired auto Insurance Services Office form CA0001, with limit no less than \$1,000,000 each accident for bodily injury and property damage. Policy shall contain a Pollution Coverage Endorsement (MCS-90) or Pollution Liability-Broadened Coverage for Covered Autos-Business Auto, Motor Carrier and Truckers Coverage Forms, Form # CA9948 0306)
- C. **Workers' Compensation**, as required by State of California and Employer's Liability Insurance, with limits no less than \$1,000,000 each accident for bodily injury or disease. Coverage shall include waiver of subrogation endorsement in favor of County of San Diego.
- D. **Professional Liability (Errors & Omissions)** appropriate to the professional services provided by Contractor under this contract, with limit no less than \$5,000,000 per occurrence or claim, \$5,000,000 aggregate.
- E. **Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions** applicable to the work being performed, with a limit no less than \$5,000,000 per claim or occurrence and \$5,000,000 aggregate per policy period of one year.
- F. **Builder's Risk:** All risk or special form perils including theft or building materials covering completed value of project with no coinsurance penalty. Coverage shall be in an amount of no less than the full replacement value of the property at the time of loss. Coverage shall be provided on the work and materials which is subject of this Contract, whether in process or manufacture or finished, including "in transit" coverage to the final agreed-upon destination of delivery, and including loading and unloading operations and such coverage shall be in force until the work and materials are accepted by the County.

If the contractor 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 by the Contractor. Any available insurance proceeds more than the specified minimum limits and coverage stated above, shall also be available to the County of San Diego.

2. Self-Insured Retentions

Self-insured retentions must be declared to and approved County Risk Management. County may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.

3. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

A. Additional Insured Endorsement

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 are to be covered as additional insureds on the General Liability and SAM Contractors Pollution Liability policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General Liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO from CG 2010 11 85 or **both** CG 2010, CG 2026, CG 2033, or CG 2038; **and** CG 2037 forms if later revisions used).

B. Primary Insurance Endorsement

For any claims related to this Contract, Contractor's insurance coverage, including any excess liability policies, shall be primary and non-contributory at least as broad as ISO CG 20 01 04 13 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, its officers, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

C. Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County. In the event of any potential or unforeseen cancellation, the Contractor shall notify the County COR no later than one business day after such information becomes known to the Contractor.

GENERAL PROVISIONS

4. 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.

5. Umbrella or Excess Policy

Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

6. Evidence of Insurance

Prior to commencement of this Contract, but in no event later than the effective date of the Contract, Contractor shall furnish the County with a copy of the policy declaration and endorsement pages along with the certificates of insurance and amendatory endorsements effecting coverage required by this clause. Policy declaration and endorsement pages shall be included with renewal certificates and amendatory

endorsements submissions and shall be furnished to County within thirty days of the expiration of the term of any required policy. Contractor shall permit County at all reasonable times to inspect any required policies of insurance. The Contract/Project Number should be noted in the “Description of Operations” box located near the bottom of the form. Additionally, the “Certificate Holder” box should designate the address of the responsible department or department representative to ensure the documents are received by the appropriate party.

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

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

8. No Limitation of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Contractor, 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 Contractor pursuant to the Contract, 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 Contractor 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

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

11. Claims Made Coverage

If coverage is written on a “claims made” basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

- A. The policy retroactive date coincides with or precedes Contractor’s commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).
- B. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- C. If insurance is terminated for any reason, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.
- D. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

12. Subcontractors' Insurance

Contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Contractor shall ensure that Entity is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13. If any sub contractor's coverage does not comply with the foregoing provisions, Contractor shall defend and indemnify the County from any damage, loss, cost, or expense, including attorneys' fees, incurred by County as a result of subcontractor's failure to maintain required coverage.

13. Waiver of Subrogation

Contractor hereby grants to County a waiver of their rights of subrogation which any insurer of Contractor may acquire against County by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

SURETY BONDS

14. 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 hundred 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.
- C. 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.

PROPERTY MANAGER'S INSURANCE REQUIREMENTS

Without limiting Property Manager's indemnification obligations to County, Property Manager shall provide at its sole expense and maintain for the duration of this contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or

in connection with the performance of the work hereunder and the results of the work by the Property Manager, his agents, representatives, employees or subcontractors.

1. Minimum Scope and Limit of Insurance

Coverage shall be at least as broad as:

- E. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit (\$4,000,000).
- F. **Automobile Liability** covering all owned, non owned, hired auto Insurance Services Office form CA0001, with limit no less than \$1,000,000 each accident for bodily injury and property damage.
- G. **Workers’ Compensation**, as required by State of California and Employer’s Liability Insurance, with limits no less than \$1,000,000 each accident for bodily injury or disease. Coverage shall include waiver of subrogation endorsement in favor of County of San Diego.
- H. **Professional Liability (Errors & Omissions)** appropriate to the professional services provided by Property Manager under this contract, with limit no less than \$2,000,000 per occurrence or claim, \$4,000,000 aggregate.
- I. **Cyber/Information Security Liability** \$2,000,000 per claim with an aggregate limit of not less than \$2,000,000. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Property Manager in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. or provide unauthorized access of either electronic or non-electronic data, including publicizing confidential electronic or non-electronic data; transfer of computer virus, Trojan horse, worms or any other type of malicious or damaging code; and for Third-Party Liability encompassing judgments or settlement and defense costs arising out of litigation due to a data breach and data breach response costs for customer notification and credit monitoring service fees.
- J. **Sexual Abuse or Molestation (SAM) Liability:** If the CGL policy referenced above is not endorsed to include affirmative coverage for sexual abuse or molestation, Property Manager shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than \$1,000,000 per occurrence or claim with an aggregate limit of not less than \$2,000,000. Coverage to include actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of the insured or as a result of the negligent employment, investigation, hiring & supervision or the reporting or failure to report to proper authorities of a person for whom any insured is or ever was legally responsible.

If the Property Manager 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 by the Property Manager. Any available insurance proceeds more than the specified minimum limits and coverage stated above, shall also be available to the County of San Diego.

2. Self-Insured Retentions

Self-insured retentions must be declared to and approved County Risk Management. County may require the Property Manager to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County. Any and all deductibles and SIRs shall be the sole responsibility of Property Manager or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Property Manager to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.

3. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

F. Additional Insured Endorsement

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 are to be covered as additional insureds on the General Liability and SAM policy with respect to liability arising out of work or operations performed by or on behalf of the Property Manager including materials, parts, or equipment furnished in connection with such work or operations. General Liability coverage can be provided in the form of an endorsement to the Property Manager's insurance (at least as broad as ISO from CG 2010 11 85 or **both** CG 2010, CG 2026, CG 2033, or CG 2038; **and** CG 2037 forms if later revisions used).

G. Primary Insurance Endorsement

For any claims related to this Contract, Property Manager's insurance coverage, including any excess liability policies, shall be primary and non-contributory at least as broad as ISO CG 20 01 04 13 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, its officers, employees, or volunteers shall be excess of the Property Manager's insurance and shall not contribute with it.

H. Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County. In the event of any potential or unforeseen cancellation, the Property Manager shall notify the County COR no later than one business day after such information becomes known to the Property Manager.

GENERAL PROVISIONS

4. 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.

5. Umbrella or Excess Policy

Property Manager may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Property Manager’s primary and excess liability policies are exhausted.

6. Evidence of Insurance

Prior to commencement of this Contract, but in no event later than the effective date of the Contract, Property Manager shall furnish the County with a copy of the policy declaration and endorsement pages along with the certificates of insurance and amendatory endorsements effecting coverage required by this clause. Policy declaration and endorsement pages shall be included with renewal certificates and amendatory endorsements submissions and shall be furnished to County within thirty days of the expiration of the term of any required policy. Property Manager shall permit County at all reasonable times to inspect any required policies of insurance. The Contract/Project Number should be noted in the “Description of Operations” box located near the bottom of the form. Additionally, the “Certificate Holder” box should designate the address of the responsible department or department representative to ensure the documents are received by the appropriate party.

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

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

8. No Limitation of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Property Manager, 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 Property Manager pursuant to the Contract, 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 Property Manager 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

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

11. Claims Made Coverage

If coverage is written on a “claims made” basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

- E. The policy retroactive date coincides with or precedes Property Manager’s commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).
- F. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- G. If insurance is terminated for any reason, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Property Manager must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.
- H. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

12. Subcontractors’ Insurance

Property Manager shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Property Manager shall ensure that Entity is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13. If any sub contractor’s coverage does not comply with the foregoing provisions, Property Manager shall defend and indemnify the County from any damage, loss, cost, or expense, including attorneys’ fees, incurred by County as a result of subcontractor’s failure to maintain required coverage.

13. Waiver of Subrogation

Property Manager hereby grants to County a waiver of their rights of subrogation which any insurer of Property Manager may acquire against County by virtue of the payment of any loss. Property Manager agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

ATTACHMENT D – Sample Board Resolution
[Letterhead of Applicant]

RESOLUTION OF BOARD OF DIRECTORS

OF

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 _____ 202____, the Board of Directors voted to authorize the _____ [title of person authorized], or his designee, to apply for and accept assistance of the Development located at _____ [address], for the purpose of obtaining financing for the _____ [purpose, i.e. acquisition, rehabilitation, refinancing, tenant relocation, construction, etc.] of the Development, in an amount not to exceed _____ (\$_____) from the County of San Diego, Department of Housing and Community Development.
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, Health and Human Services Agency, 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, Health and Human Services Agency, 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, Health and Human Services Agency 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 _____, 202____, 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, Health, and Human Services Agency 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 _____, 202__ at San Diego, California.

By: _____

Title: _____

ATTACHMENT E – San Diego County Income Limits

Effective 2026*

Area Median Income ([AMI](#)) \$130,900

Household Size	30% of AMI Extremely Low Income	50% of AMI Very Low Income	80% of AMI Low Income
1	36,750	61,250	97,950
2	42,000	70,000	111,950
3	47,250	78,750	125,950
4	52,450	87,450	139,900
5	56,650	94,450	151,100
6	60,850	101,450	162,300
7	65,050	108,450	173,500
8	69,250	115,450	184,700

*Income Limits outlined in the table above are current as of the NOFA release date. Developments must abide by the County income limits as they may be amended from time to time.

ATTACHMENT F – Management Plan Requirements

Proposals must include a Management Plan for review and approval by HCDS. HCDS requires a Comprehensive Site and Security Management Plan, Smoke-Free Housing Policies and a copy of the sample lease agreement and any addenda for all developments awarded funding through this NOFA.

The Management Plan is required to include all information noted below.

MANAGEMENT

- Role and responsibility of the Owner and/or Delegation of Authority of the Management Agent
- Description of Site/Units
- Scope of Duties
- Provisions for Update of Management Plan
- Changes in Management
- Personnel Policy and Staffing Arrangements
- Hiring and Personnel Policies
- Projected Staffing (Onsite Manager 16 or more units)
- Training and Monitoring
- Hiring of Residents
- Mandating 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
- Insurance

OCCUPANCY – MUST INCLUDE HOUSING FIRST PRACTICES (AS APPLICABLE)

- Plan and Procedures for Publicizing and Achieving Early and Continued Occupancy
- Outreach (Affirmative Fair Housing Marketing Plan and Advertising Plan).
- Resident Selection, Waiting List, Orientation
- Tenant File Management
- Property Management Software
- Privacy and Sensitive Information Safeguard
- 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
- Plans for Enhancing Resident – Management Relations
 - Resident Organization(s)
 - Auxiliary Program
- If Housing First applies, include Housing First Best Practices consistent with the core components set forth in Welfare and Institutions Code Section 8255(b).
 - Policies to prevent evictions

- Reasonable accommodations policies and practices

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

GRIEVANCE AND APPEAL PROCEDURE

- Applicability
- Right to a Hearing
- Types of Hearing
 - 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 G – Estimated Development Timeline

Development
Title: _____

Applicant: _____

Anticipated TCAC Application
Date: _____

4% 9% 4% State

ITEM

PROJECTED COMPLETION DATE

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

