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

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

**Release Date: September 30, 2021**

**Sources of Financial Assistance:**

Innovative Housing Trust Fund (IHTF)

Available Funding Source as Applicable

*Nick Macchione  
Director, Health and Human Services Agency*

*David Estrella  
Director, Housing and Community Development Services*

3989 Ruffin Road · San Diego, CA 92123 · 858-694-4801 · TDD: 866-945-2207

# COUNTY OF SAN DIEGO

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## GENERAL INFORMATION

In releasing this Notice of Funding Availability (NOFA), the goal of the County of San Diego Health and Human Services Agency, Housing and Community Development Services (HHSA) is to facilitate construction, acquisition, rehabilitation and/or loan repayment of affordable multi-family rental housing and/or transitional housing for extremely-low, very-low and low-income households by providing financing with funding from the Innovative Housing Trust Fund (IHTF), and possibly Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Permanent Local Housing Allocation (PLHA), and American Rescue Plan Act (ARPA) (subject to availability). Each qualified development will be evaluated for suitability of all applicable available funding sources. All requirements of the applicable funding sources will apply to developments funded under this NOFA.

Each qualified project will be evaluated for suitability of IHTF funding and may be offered CDBG / HOME / HOPWA and/or other funding based on resource availability. Award of IHTF funds is not conditional on acceptance or eligibility for available federal funding sources. All requirements of the applicable funding sources will apply to projects financed under this NOFA.

Qualified housing developers who demonstrate their ability to: 1) construct, acquire, and/or rehabilitate affordable housing and/or transitional housing developments 2) maintain affordable housing developments and 3) adhere to all program guidelines and funding requirements are encouraged to submit applications. Proposed developments must be leveraged with other funding sources, such as private equity loans from lending institutions, funds from federal, state and/or local programs. The proportion of rent restricted units to the total number of units in the project must, at a minimum, equal the proportion of HHSA investment in the project's total development cost. Successful applicants will be able to clearly demonstrate how their proposal will improve access to affordable housing within the County of San Diego and maintain restricted units, as applicable, for the duration of the affordability period.

The County of San Diego's *Live Well San Diego* initiative strives to achieve healthy, safe and thriving communities throughout the region. Only through a collective effort can *Live Well San Diego* bring meaningful change to a region as large and diverse as San Diego County. HHSA is seeking applications that align with and accentuate all aspects of *Live Well, San Diego*. For more information on *Live Well, San Diego*, please visit [www.livewellsd.org](http://www.livewellsd.org).

## INSTRUCTIONS FOR NOFA APPLICATION

Submit complete and signed application proposals in electronic format. Electronic copies must be delivered by way of the following methods by 5:00 PM on November 19, 2021:

1. One USB drive, see delivery information below.
2. Email application via a secured electronic document management and storage system (SharePoint, OneDrive, Drop Box, etc.) to [community.development@sdcounty.ca.gov](mailto:community.development@sdcounty.ca.gov).

**Application must be saved/stored in accordance with the NOFA APPLICATION CHECKLIST.**

Applications submitted for consideration must be complete. If any information requested in the NOFA is not applicable to the development, indicate section with "N/A". Faxed copies and electronic copies submitted via CD will not be accepted.

**Please deliver USB Drive-NOFA application to:**

Housing and Community Development Services  
Attn: Community Development  
3989 Ruffin Road  
San Diego, CA 92123

## IHTF AVAILABILITY

By releasing this NOFA, HHSA is announcing the availability of IHTF funds for affordable multi-family rental housing and/or transitional housing developments located within San Diego County. In addition to the information provided in response to the Proposal Requirements for each proposal, HHSA will consider geographic distribution of funds throughout the region.

## **IHTF FUNDING**

The goal of the Innovative Housing Trust Fund (IHTF) to provide affordable housing for the San Diego region's most vulnerable populations as identified in Section 232.5 of Article XV of the County of San Diego's Administrative Code. These funds shall be used for the creation of new units through acquisition, construction, rehabilitation, loan repayment, capital improvements of housing developments, as well as preservation of affordable housing developments at-risk of conversion to market rate housing and related costs as identified in Section 232.5 of Article XV of the County of San Diego's Administrative Code. IHTF funding is contingent upon the developer obtaining commitments from all other necessary sources of funding.

## **CDBG FUNDING**

Subject to availability at the time of funding, Community Development Block Grant (CDBG) Program funds may also be allocated through this NOFA. Housing developments allocated CDBG funds must be located within the Urban County (the Urban County consists of the unincorporated areas of the County of San Diego and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway and Solana Beach). Eligible uses of CDBG funds for housing projects are addressed under [24 CFR Part 570](#). CDBG funds cannot be used to construct new housing and 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 in Title 24 of the Code of Federal Regulations.

## **HOME FUNDING**

Subject to availability at the time of funding, HOME Investment Partnership (HOME) Program funds may also be allocated through this NOFA. The goal of the HOME program is to provide funds to expand the supply of affordable housing for very low-income and low-income persons as defined under [24 CFR Part 92](#). Housing developments allocated HOME funds must be located within the HOME Consortium (Urban County as described above and the cities of Carlsbad, Encinitas, La Mesa, San Marcos, Santee and Vista). This NOFA does not include the text of all applicable regulations that may be important to rental housing projects. For proper completion of the application by applicants who are seeking federal funding through the HOME program, HHS encourages potential applicants to consult the federal HOME program regulations, and other federal cross-cutting regulations (referred to in Subpart H of the federal HOME regulations). Several of the terms used in the HOME program have specific meanings defined by federal HOME regulations. When reviewing this NOFA and the application forms, carefully review the regulations for definitions and terms if you are seeking HOME funding. Applicants who wish to pursue HOME funding must ensure their proposed projects fully comply with all federal laws and regulations, including those in Title 24 of the Code of Federal Regulations.

## **HOPWA FUNDING**

Subject to availability at the time of funding, Housing Opportunities for Persons with AIDS (HOPWA) funds may also be allocated through this NOFA. The goal of the HOPWA program is to provide housing and housing related services to persons living with HIV/AIDS and their families. Housing developments allocated HOPWA funds, may be located throughout the San Diego Region. Applicants who wish to pursue HOPWA funding must ensure their proposed projects fully comply with all federal laws and regulations, including those in Title 24 part 574 of the Code of Federal Regulations ([24 CFR Part 574](#)).

## **PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDING**

Subject to availability at the time of funding, Permanent Local Housing Allocation (PLHA) program funds for the acquisition, development, or rehabilitation of affordable multi-family rental housing targeting households earning at or below 60% Area Median Income. Housing developments allocated PLHA funds must be located within the unincorporated areas of the County of San Diego or within the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, or Solana Beach. This aligns with the CDBG Urban County jurisdiction. PLHA funds are available through an allocation of funding from the California Department of Housing and Community Development to the County under the PLHA Entitlement Formula component. The [PLHA Guidelines](#), published through the State of California's Department of Housing and Community Development, include additional information regarding the use of PLHA funds for housing developments. Applicants who wish to pursue PLHA funding must ensure their proposed developments fully comply with all State laws and regulations.

## **OWNERSHIP/APPLICANT ELIGIBILITY**

The project may be owned by any individual, corporation, trust, partnership, non-profit or public entity with the exception of those identified on the Excluded Parties List/SAM.gov, Office of Inspector General (OIG) Exclusions database, the State of California Medi-Cal Suspended and Ineligible Provider List, or relevant licensing related to Transitional Housing.

## **SPECIAL CONSIDERATION and PREFERENCES**

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

1. Project is located in the unincorporated area of the County of San Diego;
2. Project will create new affordable housing units;
3. Project will serve a special needs group, as identified in the County of San Diego Consortium 2020-24 Consolidated Plan and in Section 232.5 of Article XV of the San Diego County Administrative Code;
4. Project will leverage other forms of resources, including capital financing, housing subsidies and complementary support services;
5. Project will incorporate green building and resource-efficient technologies exceeding current standards and/or will incorporate principles of Universal Design or will receive LEED, EnergyStar, BREEM, or equivalent sustainability certification;
6. Rehabilitation, preservation, and/or naturally occurring affordable housing (NOAH) projects located in Environmental Justice areas and Healthy Places Index (HPI) areas with a score under 50% ([California Healthy Places Index Map](#));
7. Projects located in low VMT areas as defined by SB 743 ([San Diego Region SB743 VMT Maps \(arcgis.com\)](#));
8. Projects located on County owned land.

Additionally, the County offers Expediting Permit Processing for Lower Income Housing Developments in the Unincorporated Area that meet the requirements outlined in Board of Supervisors Policy A-68. A copy of the policy can be found on the County's website or via this link, [Policy A-68](#).

## **AFFORDABILITY PERIOD**

HHSA imposes affordability restrictions for 99 years for all IHTF funded affordable housing projects. Other funding sources have affordability periods ranging from 5-55 years.

## **TRANSITIONAL HOUSING**

Transitional housing (TH) is designed to provide individuals and families experiencing homelessness with interim stability and support so that they may successfully transition to and maintain permanent housing. For those participants who choose a supportive transitional housing environment, understanding the availability of longer-term services in conjunction with connecting to permanent housing can be effective for targeted populations, including but not limited to:

- Those struggling with substance use disorders or in early recovery who may desire more intensive support;
- Victims of domestic violence or other forms of severe trauma, such as those escaping sex trafficking; or
- Unaccompanied and pregnant or parenting youth who are unable to live independently and prefer a congregate setting

Transitional housing funded through this NOFA shall have a maximum stay of up to twenty-four months for residents; and accompanying supportive services for families for the special needs populations who are also experiencing homelessness.

In addition to basic housing services, services include employment assistance and other individualized/custom supportive services, either directly through the awarded provider or through mainstream services via partnerships. The provider will assist all families with securing permanent housing prior to their exit from TH and/or when the family requests to be exited from the program. Access to all services, including access to reasonable transportation, must be provided to all residents.

## RESERVATION OF FUNDS

NOFA loan funds may be reserved for no more than twenty-four (24) months dependent on funding source commitment and expenditure requirements. HHSA reserves the right to cancel its funding reservation if the HHSA loan has not closed escrow by the end of the twenty fourth month. Fund reservation time extensions may be granted at the sole discretion of HHSA. Funding through this NOFA is contingent upon the applicant obtaining commitments from all other necessary sources of funding. Once awarded, the HHSA will not break up or combine project awards to accommodate a conversion to or from a hybrid TCAC project.

## DEVELOPER CAPACITY

Developer capacity to perform administrative, managerial and operational functions and to oversee the work necessary for successful completion of the proposed project will be evaluated.

To be eligible for financing, an applicant must:

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

**NOTE: It is the responsibility of each applicant to ensure that it and all its employees, contractors, affiliates, agents, volunteers, or other personnel comply with all applicable laws and rules regarding conflicts of interest, including Government Code section 1090 et seq., the Political Reform Act, and the County Administrative Code, included 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. HHSA reserves the right to negotiate and award an allocation of funds to multiple applicants and request additional information from applicants. By the act of submitting a proposal, applicants acknowledge and agree to the terms and conditions of this NOFA and to the accuracy of the information they submit. HHSA reserves the right to reject any and all submittals, waive any irregularities in the submittal requirements or cancel this NOFA at any time. All submittal packages 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.

It is understood and agreed upon by the Offeror in submitting a proposal that the County has the right to withhold all information regarding this procurement until after contract award, including but not limited to: competitive project description information; competitive proposed Financial Offer and Financial Capability; and the County evaluation of competing proposals. Information releasable after award is subject to the disclosure requirements of the Public Records Act, State of California Government Code section 6250 and following.

**NOTE: Applicants acknowledge that by submitting an application under this NOFA, they are seeking a 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 Acts.**

## COST RECOVERY AND FEES

The owner of any development funded through this NOFA will be required to pay any 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/developer is responsible for the payment of County staff time related to environmental review. Payment to the County will be included with the development finance closing.

Unless modified by the Board of Supervisors an annual compliance monitoring fee of \$4,000 will be due and payable to HHSA at the beginning of each operational year. Payment of initial compliance monitoring fee shall occur within 60 days of development's certificate of occupancy. The compliance monitoring fee will increase annually at a rate of one percent above the previous year's rate. Failure to submit payment will result in a Notice of Default being issued by HHSA. Compliance monitoring fees must be incorporated into the proposal's operating pro forma.

**TECHNICAL ASSISTANCE, CLARIFICATION AND ADDENDA**

Requests for clarification regarding this NOFA should be directed to Tina Cobarrubias with the Department of Housing and Community Development at: [Tina.Cobarrubias@sdcounty.ca.gov](mailto:Tina.Cobarrubias@sdcounty.ca.gov).



# **NOFA APPLICATION**

**GENERAL REQUIREMENTS FOR SUBMITTAL**

Applications must include the following:

- HHS NOFA DEVELOPMENT SUMMARY, CHECKLIST & CERTIFICATION (Excel)**  
Applicants must complete the Excel template available on the Housing and Community Development Services Announcement NOFA homepage. All tabs must be completed upon submittal: Development Summary (tab 1), Application Checklist (tab 2), and Certification (tab 3)
- Development Narrative (Word)**
- All Required Development Forms (Rental Income Form, Operating Expense, Development Costs, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro-Forma) and all applicable Proposal Requirements.**

The application and all supporting documentation as listed above have been reviewed for completion using the Excel Application Checklist.

Development Name: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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

# PROPOSAL REQUIREMENTS

## 1. HHSA NOFA DEVELOPMENT SUMMARY, CHECKLIST & CERTIFICATION

Provide a completed NOFA Development Summary (Excel workbook tab 1), Application Checklist (tab 2), and Application Certification (tab 3). Include the excel version of the workbook along with the other application documents as described below.

## 2. DEVELOPMENT NARRATIVE

### A. Development Overview

*For Permanent Housing Developments* – Provide a brief overview description including: development location, the existing use of the site and proposed development/design including number of units, unit types, development amenities, population to be served, supportive services provided, and extent to which the development will involve community organizations and partnerships. Also include program goals/objectives as applicable.

*For Transitional Housing Developments* – provide a description of the program design, including populations to be served, services provided, program goals and objectives, and success rate. Description should include number and types of rooms, program amenities, program rules and guidelines, as well as sample lease and tenant agreement. Include proof of required licensing needed to support Transitional Housing program.

### B. Development Timeline

Describe the development's timeline and applicant's ability to complete in a timely manner.

### C. Enforceable Commitments and Financial Feasibility

1. Provide a list of enforceable commitments or other enforceable reservations of funds for all needed development funding. All local funds, other than County funding sources, must be secure prior to applying for funds available through this NOFA.
2. Provide list of enforceable commitments or reservations of rental or operating subsidies as well as any fundraising plans.
3. Describe how the development will leverage other funding sources, including capital financing, housing subsidies and complementary supportive services. Provide evidence of terms and the status of those commitments to the proposed developments. HHSA will require senior lenders to subordinate to HHSA's regulatory restrictions. HHSA must be advised if the applicant will be requesting that HHSA subordinate financial interests.
4. Describe a plan for repayment of the requested amount of HHSA NOFA funds.
5. If the funding for the proposed development is in part dependent upon the award of Low-Income Housing Tax Credits or bonds, describe how the development will be implemented in the event financing is denied. Be specific as to the amount, sources, likelihood, and timing of alternative funding, as well as how the development will be scaled down, if necessary.
6. Describe the plan to maintain operations and financial feasibility for the full 99-year affordability period.
7. Describe any in-kind contributions to the development. Include the name(s) of the contributors, the items or services that are being contributed and the value of the contributions.

### D. Development Site

1. Describe all Community Planning/Sponsor Group action related to this development.
2. Describe all Community outreach and engagement related to this development.
3. Are there other housing developments or facilities that address the same need in the area?
4. Describe how the development will not overly concentrate low-income housing in the community?
5. Provide a detailed description of the development location; attach detailed street map(s) identifying the development and neighborhood boundaries, highlight local amenities, community resources, goods and services, access to transportation, etc.
6. Describe the availability of, and accessibility to, medical care (e.g., emergency, outpatient, acute, and extended care) and social services that are commonly needed for the individuals who will be residing

at the development.

E. Site Control

1. Is the development consistent with the site zoning, General Plan designation, and the local community plan?
2. Provide proof that all necessary land use, zoning, permitting or building plans have been approved or a reasonable plan and timeline detailing how the applicant will obtain any discretionary approvals for the project.
3. Evidence from approving body of completion of all necessary environmental clearances (CEQA, NEPA), and completion of a Phase I Environmental Site Assessment and Phase II Environmental Site Assessment (if applicable).

F. Market Study

1. Attach a market study documenting supply and demand for the proposed development. Data must be recent (within the last six months), for at least three rental housing developments similar in size and amenities to the proposed development. For transitional housing, provide a needs assessment or market data that describes and supports the vision of the proposed development.
2. Provide documentation demonstrating that rents will be at least 10% below market rents.

G. Development Design and Implementation

1. Describe preliminary site plan(s), floor plans, etc. Attach plans and photos as applicable.
2. Describe environmentally sustainable development features and technologies.
3. Describe various levels of safety design features, technologies and policies for tenants.
4. If applicable, how will the development incorporate the use of universal design principles and/or design features for special needs populations.
5. Attach an outline of the development's Crime-Free Multi-Family Housing Program, including proposed Crime-Free lease addendum.
6. Attach sample lease and tenant agreement.

H. Target Population and Support Services

Below is a list of special needs and disabled populations in accordance with the County of San Diego Consortium 2020-2024 Consolidated Plan. Describe how the development will target the following populations and include a description of the number of units by population served:

- Extremely low-income individuals & families
  - Large Families
  - Families with Children
  - Elderly & Frail Elderly
  - Chronically Homeless individuals & families
  - Veterans
  - Persons with HIV/AIDS
  - Victims of Domestic Violence
  - Transitional Aged Youth
  - Persons with Mental Disabilities
  - Persons with Physical Disabilities
  - Persons with Alcohol or Other Addictions
1. If supportive services will be provided for the populations listed above, include the following:
    - i. Supportive service provider experience, including tenant population descriptions
    - ii. Support services descriptions, including service model, services offered, staffing plan with FTE's, and location of services (on site or off site)
    - iii. Role of Peers in service delivery
    - iv. Services budget and funding sources
    - v. If the support services provider is a separate organization, a description of partnership history and draft MOU.
  2. How will the development empower families and individuals toward greater self-sufficiency?

3. If preferences for selection from the established waitlist will be given to any of the above-mentioned special needs populations, describe which population(s) will receive priority.

I. Special Consideration

1. Describe how the development fits within in the special consideration and preferences listed on page 6.
2. Describe how the development will serve a special needs group, as identified in the County of San Diego Consortium 2020-2024 Consolidated Plan and/or include a veterans housing component, or a homeless housing component;
3. Describe how the Development will include a supportive services component;
4. Describe how the development will incorporate environmentally sustainable development practices and green building components that exceed current requirements and/or standards.
5. Discuss measures to be taken to promote energy efficiency in the proposed development. An Energy-Efficiency Based Utility Allowance schedule is available to qualified projects. Please indicate if you plan to utilize the Energy Efficiency-Based Utility Allowance schedule.
6. How does the development incorporate housing and/or county initiatives that meet and/or exceed current standards: Housing First as applicable per funding source and *Live Well San Diego*,
  - a. Describe the degree to which Owner/Developer/Applicants and/or proposed development will integrate or comply with any of the initiatives listed above.
  - b. Provide documentation as applicable.
7. How will the proposed development address racial equity and inequities for the target population including any local disproportionate impact by race and other protected classes?

J. Applicant Experience

1. Describe in detail Owner/Developer/Applicants experience as listed below. Provide supportive attachments as applicable:
  - a. Mission Statement
  - b. Past activities/experience
  - c. Administrative structure/organizational chart
  - d. Diversity, Equity, and Inclusion Statement and/or governing practices/policies
2. Describe the degree in which Owner/Developer/Applicants integrates Diversity, Equity and Inclusion within the organization, including but not limited to; workplace values, hiring and training practices, executive leadership, Board of Directors, etc.

K. Technical Capacity

1. Describe Owner/Developer/Applicant's technical capacity. Describe the project team's experience, including but not limited to; acquisition, sale, rehabilitation, construction, management and/or support services. Describe your organization's ability to deliver high quality services to the target resident population.
  - a. Attach resumes of staff specifically assigned to this project. Include the credentials of the development's team members.
  - b. Include a list or description of the organization's ability to successfully develop and manage the real estate component of the project.
    - Number of rental or transitional housing developments/units completed
    - Number of rental or transitional housing developments/units currently owned
    - Number of rental or transitional housing developments/units currently managed.
    - Number of rental or transitional housing developments/units in development phase (funding committed but not ready for occupancy)
    - Number of rental or transitional housing developments sold for affordable housing
2. Describe participation of DVBEs and 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 Disabled Veterans Business Enterprises (DVBEs) and to encourage the participation of minority and woman business enterprises (MWBEs) as contractors and

subcontractors. Please describe efforts that will be made to encourage the utilization and participation of DVBEs and MWBEs. A copy of the policy can be found on the County's website or via this link, [Policy B-39A](#).

## **PROPOSAL EVALUATION CRITERIA**

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

Evaluation criteria listed in descending order of importance:

**First:**

Project Information and Targeting (i.e. detailed description of project, projects that meet any of the special considerations and preferences listed on page 6, and project readiness)

**Second:**

Financial feasibility (description of funding sources, leveraging, anticipated costs)

**Third:**

Applicant Experience (affordable housing development experience, rehab, construction, property management)

**Fourth: General Program Requirements and Special Considerations**

Collaboration and Site Amenities and Innovation (community involvement)

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

## **GENERAL PROGRAM REQUIREMENTS**

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

A. Board Resolution

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

B. Certifications

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

C. Community Review and Land Use Approvals

Applicants must have all applicable local land use approvals at the time of NOFA submittal or must present a reasonable plan and timeline detailing how the developer will obtain any discretionary approvals for the project within 120 days of conditional commitment awarded. Examples of such approvals include, but are not limited to, general plan amendments, rezoning and conditional use permits. Local land use approvals that are not required to be submitted at the time of application include design review, environmental study variances and development agreements.

Provide evidence of completion of all necessary environmental clearances and completion of Phase I Environmental Site Assessment. Phase II Environmental Studies (if applicable) as well as CEQA/NEPA (if applicable).

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

D. Transitional Housing- Licensing

For Transitional Housing projects- provide proof of all licensing required to operate the Transitional Housing program (if applicable).

## **ADDITIONAL COUNTY, STATE, AND FEDERAL REQUIREMENTS**

**Provide attachments/descriptions as applicable to compliance within the following areas.**

1. Accessibility

Section 504 of the Rehabilitation Act, the Fair Housing Act, California's Fair Employment and Housing Act, the Unruh Civil Rights Act, and a variety of federal and California laws and regulations 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 in the development. Applicants must also ensure that any other applicable, state, and local accessibility requirements are met.

2. 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 Acquisition and Relocation Act of 1970 (URA) as revised, and Section 104 (d) of the Housing and Community Development Act of 1974, as amended.

3. Affirmative Fair Housing Marketing Plan

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

4. Affordability

Proposals awarded HOME funds must comply with affordability requirements pursuant to 24 CFR Part 92, as amended from time to time. Proposals awarded CDBG funds must comply with affordability requirements pursuant to 24 CFR 570, as amended from time to time. Proposals awarded PLHA funds must comply with Section 301 and Section 101 of the PLHA Guidelines.

5. Applicant Developer, and Contractor Debarment

All applicants, developers, construction contractors and sub-contractors 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. 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. Prior to award of any contract or subcontract, applicant must provide proof of compliance, to include exclusion records from the System for Award Management (SAM) OIG Exclusions database and the State of California Medi-Cal Suspended and Ineligible Provider List.

6. Appraisal

An appraisal must meet the definition of an appraisal found at [49 CFR §24.2\(a\) \(3\)](#) and the URA provisions at [49 CFR §24.103](#). An appraisal is required for all acquisition, rehabilitation and new construction projects. A review

appraisal, in accordance with [49 CFR §24.104](#) of the Uniform Relocation Act, will be required for an “Involuntary Acquisition”.

7. Audited Financial Statement and Single Audit (as applicable)

Submitted audited financial statements must be current (within last 12 months) and must include a Financial Statement including surplus or deficits in operating accounts, a detailed itemized listing of income and expenses and the amounts of any fiscal reserves. The audit must be certified by an independent certified public accountant licensed in California. Any non-federal entity, including states, local governments, and non-profit organizations, that expend \$750,000 or more in a year in federal awards shall have a single audit, as specified in 2 CFR Part 200, conducted for that year.

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

8. Competitive Bidding Requirements

Applicants seeking money 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 percent (1%) of the total work, obtain the subcontractor through formal bidding.
- b. If the applicant is not a general contractor, it shall:
  - i. Conduct a competitive procurement process for a general contractor, obtaining at least three bids from qualified, responsive contractors, and shall accept the lowest responsive and responsible bidder, and shall require a similar process for any subcontractor performing more than 1% of the work; or
  - ii. Conduct a competitive process in substantial compliance with Public Contract Code section 22160 et seq.
- c. If the applicant seeks CDBG, HOME, or HOPWA funding per this NOFA, the applicant shall comply with all requirements in Title 2, Part 200, of the Code of Federal Regulations.

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

Applicants are required to demonstrate that 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. A copy of the current County of San Diego Consolidated Plan can be found on the County’s website or at the following link: [2020-2024 Consolidated Plan.](#)

10. Conflict of Interest

Strict federal and state non-conflict of interest laws and regulations apply to all County and/or sub-recipient agency (i.e., participating cities, developers, non-profit agencies, etc.) staff who are engaged in implementing funded activities. These requirements prohibit all County and/or sub-recipient agency staff, their families or family/business ties from obtaining any financial interest in a funded contract if they participated in or had inside information about the contract

11. Crime-Free Multi-Family Housing

Proposals must also include a Crime Free Multi-Family Housing Plan, as well as smoke-free policies that prohibit the use of cigarettes, electronic cigarettes, and marijuana (including use for medicinal purposes).

This provision is included in order to ensure a crime free environment for residents. The element should provide for special services in apartment developments to decrease all types of illegal activities and should include an educational component for owners and renters, physical inspections to improve lighting and landscaping and information sharing to establish neighborhood identity. The County Sheriff’s Department Crime-Free Multi-Housing program may be available to provide support for the plan development. The Sheriff’s local Crime Prevention Specialist provides informational sessions on how to cut crime in multi-family neighborhoods. Expenses associated with the Crime-Free Multi-family Housing program for the proposed development should be covered in the budget. An outline of the development’s Crime Free Multi-Family Housing program must be submitted with the



application. In addition, a full description of the development's Crime Free Multi-Family Housing program must be included in the Management Plan. The Management Plan Checklist is available in Attachment G. Acquisition of real property for sale of affordable housing does not apply.

Attach the development's Crime Free Multi-Housing Program. Provide documentation that specifies how the development will implement smoke-free programs on-site, including evidence of intent to commit to smoke-free housing such as a sample lease or house rules.

12. Development Forms/ Priorities and Underwriting Criteria (Pro-Forma):

Applicants must submit: Rental Income Form, Operating Expense, Development Cost, Sources and Uses of Funds, Minimum 55-year Cash Flow, and Development Pro-Forma.

- The proposed financing structure and operating pro forma will be evaluated to determine feasibility during the affordability period. Developments shall demonstrate financial feasibility for a minimum 55-year term.
- **Loan terms/underwriting are subject to change at HHSA' sole discretion. HHSA reserves the right to impose additional and/or revised conditions in the final documentation of the transaction and as are reasonably necessary to protect the interests of HHSA and fulfill the intent of this NOFA.**
- Developer's fees typically do not exceed 10 to 12 percent of the total development cost.
- For all rehabilitation developments, HHSA underwriting standards require that developers budget a minimum of \$720 per unit, per year in the replacement reserve. For new construction developments, HHSA underwriting standards require that developers budget a minimum of \$375 per non-Permanent Supportive Housing (PSH) unit, per year in the replacement reserve. For Permanent Supportive Housing, developers must budget a minimum of \$500 per PSH unit, unless use of a lower or higher rate is required by another funding source, including LIHTC. HHSA reserves the right to require higher replacement reserves based on a capital needs assessment that includes an analysis of all major systems, their remaining useful life, and projected replacement needs.

13. Energy Efficiency

Discuss measures to be taken to promote energy efficiency in the proposed development. An Energy-Efficiency Based Utility Allowance schedule is available to qualified developments that either meet or exceed the California's Building Energy Efficiency Standards. Please indicate if you plan to utilize the Energy Efficiency-Based Utility Allowance schedule.

14. Environmental Site Assessment (ESA, Lead-Based Paint, Asbestos and other Hazardous Materials

Housing development proposal must have, at a minimum, an approved Phase I Environmental Site Assessment Report in accordance with the active standard for Phase I ESA's as defined by the American Society for Testing and Materials (ASTM) Standard Practice for Phase I ESA Process. This report is to be submitted with the NOFA application. If a Recognized Environmental Condition (REC) is found during the Phase I ESA process, a Phase II ESA may be required with the housing development proposal to determine if there are significant amounts of contaminants that will require remediation, monitoring, or create land use limitations. Contingent upon the results of the Phase II ESA, a Phase III ESA may be necessary to include in the housing development proposal.

Testing for asbestos, residual pesticides, mold, water damage, and the completion of a hazardous material (asbestos, lead paint) inspection report may be required. Demolition or renovation operations that involve lead-based paint, asbestos containing materials, or other hazardous materials from these activities must conform to and be in compliance with hazardous waste disposal requirements (Title 22 CCR Division 4.5) worker and health safety requirements (Title 8 8 CCR Section 1532.1), State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8), and the Health and Safety Code (Division 20, Chapter 6.95, Article 2, Section 25500-25520), and other local, State and Federal regulations.

Time requirements for these reviews vary substantially, depending upon the potential for environmental impact. This process is also consistent with the 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)).

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

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

15. Environmental Review

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

Proposed developments must complete environmental reviews pursuant to 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 processing and HUD's formal Release of Funds, regardless of whether the work would be accomplished with federal funds or other matching funds. 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.

The applicant/developer is responsible for the payment of County staff time related to environmental review. Payment to the County will be included with the development finance closing.

16. Equal Opportunity

Equal opportunity is encouraged in procurement and contract award. Toward this end, proposals from disabled veteran-owned businesses, women-owned businesses, minority-owned businesses, Section 3 Business Concerns (24 CFR Part 75) and local firms are strongly encouraged. Prime contractors are encouraged to subcontract or join venture with these firms.

17. Evidence of Funding Commitments

Letters of intent from other lenders must include the name, title, and telephone number of the responsible contact

person. Senior lenders must subordinate to the County's regulatory restrictions.

18. Evidence of Site Control

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

19. Evidence of Supportive Services

Applicants must specify the type and level of supportive services to be provided to special needs populations, as applicable. In addition, applicants must provide evidence of commitment for the supportive services proposed and information about the supportive services provider and their ability to carry out services, see Proposal Requirements Section H(1) above for documentation required to be included in proposal related to supportive services. Note that HOME/CDBG/PLHA funding may support special needs rental housing developments. However, the use of services by residents may not be imposed on a mandatory basis. Funding requires that supportive services only be made available on a voluntary basis.

20. Insurance

Specific insurance requirements will be provided based on the final scope of work for an approved NOFA submission. Sample Borrower's Insurance Requirements are included in Attachment C below.

21. Location Map and Plans

Applicants must provide a location map, site plans, floor plans, and development renderings/photos.

22. Management Plan

The applicant will be required to submit a Management Plan for review and approval, pursuant to [24 CFR §92.253](#). Additionally, HHSA requires a Crime Free element to all management plans. A copy of the sample lease agreement and any addenda are also required, see Attachment G for the Management Plan Checklist.

23. Market Study

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

24. Monitoring

Successful NOFA proposals will be monitored based on the specific regulatory requirements of the funding source. HHSA will charge fees to cover the cost of ongoing monitoring and physical inspection of developments during their 55-year period of affordability, either as described below or as specified by the Board of Supervisors. Compliance and monitoring fees must be included in the cost of the development as part of underwriting. An initial compliance monitoring fee of \$4000 will be due and payable to HHSA at the time of initial occupancy. Subsequent payments will be due on the anniversary date of initial occupancy and the monitoring compliance fee will increase annually at a rate of one percent. Failure to submit annual payments will result in a Notice of Default being issued by HHSA.

25. Partnership Agreement

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

26. Physical Needs Assessment (as applicable)

Proposals involving acquisition for rehabilitation must contain specific information on the physical condition of the structure(s), as well as the estimated cost for the rehabilitation work, and may require testing of major building systems. A Physical Needs Assessment (PNA) conducted by an independent third party must be submitted for proposals involving rehabilitation activities. The PNA must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years and the estimated cost for the rehabilitation work. Applicants are encouraged to obtain a PNA prior to making a final offer for purchase of

a property. To avoid delays, applicants must provide a termite report for any proposal involving acquisition of existing housing and/or structures that will be renovated. In addition, testing for asbestos, residual pesticides, mold, and water damage may be required.

27. Pre-construction Conference

Successful applicants shall hold a “pre-construction conference” with the bid winning contractor and sub-contractors following contract award and before commencement of construction. The pre-construction conference must announce if Federal Labor Standards and Davis-Bacon Act requirements apply, and that contractors must submit copies of weekly payrolls to the assigned project manager for verification that appropriate wage rates were paid. In addition, the pre-construction conference must announce that the requirements of Section 3 (24 CFR Part 75) apply. The project administrator must promptly review all such payrolls upon receipt, sign, and date the payroll following verification and maintain such payrolls on file for review during monitoring visits. Minutes of the pre-construction conference that document the discussion of federal regulations must be kept in the project files.

28. Preliminary Title Report

Applicant must provide a preliminary title report.

29. Prevailing Wage Rates/Davis Bacon

All projects 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 (here CDBG or HOME funds) require compliance with the Davis-Bacon Act and requires payment of federal Davis-Bacon Wage rates 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 <http://www.wdol.gov/>. CDBG and HOME projects must comply when:

- CDBG: Rehabilitation of residential property contains eight (8) or more units
- HOME: The rehabilitation or new construction of a housing development includes twelve (12) or more units assisted with HOME Funds.

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.

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

30. Rehabilitation Estimate

All HHSA-funded developments involving rehabilitation must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years. Testing of major building systems may be required.

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

necessary to meet future expenditure requirements.

31. Rehabilitation Standards

Rehabilitation activities under CDBG/HOME must conform to Rehabilitation Standards pursuant to [24 CFR §5.703](#). Note that the 2013 HOME Final Rule requires that HOME rehabilitation and acquisition projects conform to the Uniform Physical Condition Standards (UPCS). The UPCS are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair, pursuant to [24 CFR §5.703](#).

32. Relocation Plan

NOFA applications involving relocation of residents (residential or commercial) shall include an anti-displacement/relocation plan in compliance with relocation local, State, and or Federal 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 Acquisition and Relocation Act of 1970 (URA), as revised, and Section 104(d) of the Housing and Community Development Act of 1974, as amended, may apply. Proposed relocation plans must budget for all relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Relocation Plans must include a current copy of rent rolls, as of the date of submission, detailing family income, household characteristics and current rent paid per household.

33. Relocation Noticing

A Voluntary Acquisition Notice must be delivered to the seller of the property prior to making an offer, entering into a purchase agreement, and submittal of the NOFA application. Evidence of the manner and proof of delivery must be included with the NOFA application. Upon submission of the NOFA application, tenants (residential or commercial) must receive a written General Information Notice notifying tenants of their rights under the Uniform Relocation Act, 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.

34. Tenant Characteristics Form

If the proposed development is currently occupied, a Tenant Characteristics Form is required to determine the extent of relocation.

35. Timeline for Closing and Loan Disbursement of Funds (Attachment H)

**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 twenty-four (24) months but may be withdrawn earlier if satisfactory progress is not demonstrated.** HHSA reserves the right to reallocate IHTF/ CDBG/ HOME/ PLHA/ HOPWA funds from one approved project to another or to new activities, or to cancel fund reservations at its discretion if projects are not proceeding satisfactorily (in the sole opinion of HHSA) towards commencement of the proposed activity. Program funds available through this NOFA must meet regulatory commitment and expenditure requirements. Commitment and expenditure requirements vary by funding source.

Recipients of IHTF/CDBG/HOME/PLHA/HOPWA 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.

36. Title Insurance

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

37. Transition Reserve

Permanent Supportive Housing Projects and Projects with Project Based subsidies shall have a transition

reserve in the amount established by HHSA in the event that any Project-based rental assistance is not renewed, or in the event that operating subsidies are exhausted, and the Project cannot secure sufficient other rental or operating subsidies to continue without immediately raising rents.

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

If rent increases are necessary after exhausting all transition reserve funds such increases shall only be permitted to the minimum extent required for financial feasibility, as determined by HHSA.

The Owner shall notify HHSA, 18 months in advance, of any rent increases due to exhaustion of the transition reserve. If rent increases are necessary due to loss of rental or operating assistance, if it is determined that tenants will need to move after exhausting all transition reserve funds, a transition plan shall be implemented to identify other permanent housing options that may be more affordable to tenants who cannot afford the increased rent, and to assist those persons in accessing other available housing. Funds from the transition reserve may be used for these expenses.

38. Zoning

At the time of application, applicant must demonstrate that the development site's zoning will permit the scope of development as proposed.

# **NOFA ATTACHMENTS**

## **ATTACHMENT A – 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 program for which they are applying for funds.

### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM BASICS**

CDBG program regulations can be found at [24 CFR Part 570](#).

#### **JURISDICTION FOR CDBG FUNDS**

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

#### **CDBG-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 §570.208(a)(3).
- Funds expended for the acquisition, new construction, or rehabilitation of property for housing that qualifies under §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 must be conducted by a non-profit or public agency, as for-profit entities are prohibited from acquisition-only CDBG developments.

#### **NEW CONSTRUCTION ELIGIBLE COSTS**

CDBG program funds cannot be used for the construction of new units except as provided under the last resort housing provisions set forth in 24 CFR part 42, as authorized under §570.201(m) or (n), or when carried out by an entity pursuant to §570.204(a); CDBG funding can be used for new construction costs that are considered separately eligible activities in support of the development of low- and moderate-income housing, including clearance, sit assemblage, provision of site improvements or public improvements, and certain housing pre-construction costs outlined in §570.206(g).

#### **BROADBAND INFRASTRUCTURE**

Construction and rehabilitation developments funded in part with CDBG funds must include the installation of broadband infrastructure as defined in 24 CFR 5.100.

#### **CDBG AFFORDABILITY PERIOD REQUIREMENTS**

HHS 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 in excess of \$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 must maintain compliance with a national objective or the CDBG program funding must be reimbursed.

### **HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) PROGRAM BASICS**

HOME program regulations can be found at [24 CFR Part 92](#).

#### **JURISDICTION FOR HOME FUNDS**

HHS may only invest its HOME funds in eligible developments within its boundaries, or in jointly funded developments within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions, see 24 CFR §92.201(a)(2) for additional information.



## **SITE AND NEIGHBORHOOD STANDARDS**

HHSA provides HOME funds for housing that furthers compliance with civil rights laws and that promotes greater choice of housing opportunities. Proposed new construction developments must meet site and neighborhood standards as outlined in 24 CFR 983.57(e)(2) and (3).

## **PROPERTY STANDARDS**

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

- The housing must meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act implemented at 28 CFR Part 35 and Part 36, as applicable. Covered multi-family dwellings, as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implements the Fair Housing Act.
- Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with state and local codes, ordinances or other state and local requirements, or such other requirements HUD may establish.

Existing Rental Housing – Existing rental housing that is acquired with HOME funding that was constructed or rehabilitated less than 12 months before receipt of a commitment of HOME funds, must meet the property standards required for new construction and rehabilitation developments as included in 24 CFR 92.251. HHSA will document compliance with the regulations based upon a review of approved building plans and Certificates of Occupancy, and an inspection that is conducted no earlier than 90 days before the commitment of HOME funding. All other existing rental housing that is acquired with HOME funding must meet the HOME rehabilitation property standards requirements. HHSA will document compliance with the regulations based on an inspection that is conducted no earlier than 90 days before the commitment of HOME funding. If the property does not meet these standards, HOME funds cannot be used unless the property is rehabilitated to meet the standards as included in 24 CFR 92.251.

## **BROADBAND INFRASTRUCTURE**

Construction and rehabilitation developments funded in part with HOME funds must include the installation of broadband infrastructure as defined in 24 CFR 5.100.

## **VACANT LAND**

Acquisition of vacant land or demolition with HOME funds may be undertaken only for a particular affordable housing development on which construction will begin within 12 months. HOME funds may not be used to acquire property or demolish structures on land for which there is not an immediate, planned HOME-eligible use.

## **HOME-ASSISTED UNITS**

Only units receiving HOME funds are considered "HOME-assisted units." HOME per unit subsidy limits, rent limits, and HOME occupancy requirements apply only to "HOME-assisted units." The proportion of rent restricted units to the total number of units in the development must, at a minimum, equal the proportion of HHSA investment in the total development cost. Unrestricted units are not eligible for HOME subsidy.

## **HOME SUBSIDY LIMITS**

The minimum HOME investment in rental housing may not exceed the per-unit dollar limitations established under section 221(d)(3)(ii) or the National Housing act (12 U.S.C.17151(d)(3)(ii)) for elevator-type projects that apply to the area in which the housing is located. See 24 CFR 92.250 for additional information.

## **HOME AFFORDABILITY REQUIREMENTS**

HOME-assisted units must be affordable at initial occupancy and as defined in the development regulatory agreement. If HOME assisted units remain unoccupied six months following the completion date in IDIS additional information will be required to be reported to HUD. If, within 18 months from the date of development completion in IDIS HOME assisted units remain unoccupied, HUD will require repayment of all HOME funds invested in the development.

## **OCCUPANCY REQUIREMENTS FOR HOME-ASSISTED UNITS**

HOME-assisted units must be initially occupied by families who have annual incomes that are 60 percent or less of San Diego's Area Median Income. In developments of five or more HOME units, at least 20 percent of the HOME-assisted units must be continually occupied by families who have annual incomes that are 50 percent or less of San Diego's Area Median Income. See **Attachment F** for income limits.

## **MAXIMUM INITIAL RENTS FOR HOME-ASSISTED RENTAL UNITS**

Every HOME-assisted unit is subject to rent controls called "HOME rents." For properties of five or more units, there are two HOME rents established for every development: "High HOME rents" and "Low HOME rents." HOME rent limits include both the rent and utilities (or utility allowances). Review and approval of rents for each HOME-assisted rental development is required *each year* to ensure that rents comply with the HOME limits and do not result in undue increases from the previous year. Refer to the HOME regulations at 24 CFR §92.252 for a full definition.

## **UTILITY ALLOWANCES**

24 CFR §92.252(d) requires HHSA to determine an individual utility allowance for each HOME rental development, either (1) by using the HUD Utility Schedule Model, or (2) by otherwise determining the allowance based upon the specific utilities used at the development.

The model can be found at: <http://huduser.org/portal/resources/utlmodel.html>. As more developments are constructed or rehabilitated to higher energy-efficiency standards, the use of a standard utility allowance may not represent actual utility costs and is difficult to justify.

## **HOME-ASSISTED UNIT RESTRICTIONS**

- Tenant incomes and rents are strictly controlled during the affordability period. Owners are required to examine tenant incomes annually to ensure that tenants meet the HOME income requirements.
- 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. In order to be effective, affordability restrictions will be recorded in the regulatory agreement.
- Leases are required for all HOME-assisted rental units, consistent with §92.209(g). The lease term must be for a period of at least one year unless a shorter period is mutually agreed upon.

## **INCOME DETERMINATIONS**

Applicants are responsible for ensuring income determination for HOME assisted units are in compliance with the following regulations, [24 CFR Section 92.230](#).

## **PROPERTY INSPECTION REQUIREMENTS**

Developments must be inspected at time of acquisition and throughout the affordability period to ensure that the units meet the required property standards. On-site inspections will occur within 90 days of occupancy and at least once every 3 years thereafter during the period of affordability. Inspections may occur more often based on changes in program rules and/or at HHSA discretion.

## **LOW-INCOME TAX CREDIT AND HOME**

Qualified LIHTC units must not exceed LIHTC rent limits. HOME-assisted units must meet High and Low HOME rent requirements.

*Combining HOME and tax credit affects rental properties in various complex ways and applicants are urged to consult a subject expert prior to submitting their proposal.*

## **FEES CHARGED BY PROJECT OWNERS**

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

## **PROJECT COMMITMENT AND COMPLETION**

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

- All necessary financing is secured.
- A budget and production schedule is established. Use of HOME funds must be clearly identified by line item.
- Underwriting and subsidy layering reviews are completed.
- Market assessment is completed.
- Assessment of the experience and financial capacity of the developer/applicant is completed.
- Construction is expected to start within 12 months.

Projects must be fully occupied within four years from the date the written agreement is executed (project commitment). A development will be terminated if not completed within four years and repayment of the HOME funds will be triggered. In the event that a development is not completed within the four-year timeframe, HHS may request a 12-month extension from HUD. The request should provide information about the status of the development, steps being taken to overcome obstacles to completion, proof of adequate funding to complete the development, and a schedule with milestones for completion of the development.

## **PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM BASICS**

### **JURISDICTION FOR PLHA FUNDS**

HHS may only invest PLHA funds in eligible developments within the jurisdictional boundaries of the Urban County, which consists of the unincorporated area of the County and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

### **PLHA-ASSISTED UNIT RESTRICTIONS**

- Funding for the acquisition, development, or rehabilitation of affordable multi-family rental housing targeting households earning at or below 60% AMI.
- The affordability period for PLHA developments is at least 55 years.
- Tenant incomes and rents are strictly controlled during the affordability period. Owners are required to examine tenant incomes annually to ensure that tenants meet PLHA requirements.
- 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. In order to be effective, affordability restrictions will be recorded in the regulatory agreement.
- Rent restrictions shall comply with the [Multifamily Housing Program Regulations](#) Section 7312 and the Section 7301 definition of “Affordable Rent”

### **EXPENDITURE REQUIREMENTS**

- PLHA funds available under this NOFA must be expended before April 30, 2024. An award of PLHA funds will include an appropriate timeline/reservation period to meet the expenditure deadline noted above.

### **ADDITIONAL PLHA REQUIREMENTS**

- As applicable, developments shall operate in a manner consistent with the housing first practices described in California Code of Regulations, Title 25, Section 8409(b)(1)-(6). Recipients of funds for eligible activities that provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.

- Developers shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the County of San Diego and/or State.
- PLHA assistance will be provided as a loan evidenced through a Promissory Note and secured by a Deed of Trust.

## ATTACHMENT B – Transitional Housing

Transitional housing (TH) is designed to provide individuals and families experiencing homelessness with interim stability and support so that they may successfully transition to and maintain permanent housing. For those participants who choose a supportive transitional housing environment, understanding the availability of longer-term services in conjunction with connecting to permanent housing can be effective for targeted populations, including but not limited to:

- those struggling with substance use disorders or in early recovery who may desire more intensive support;
- victims of domestic violence or other forms of severe trauma, such as those escaping sex trafficking; or
- unaccompanied and pregnant or parenting youth who are unable to live independently and prefer a congregate setting

Developer should have few barriers to program entry and for continuance in the program.

The Development should be a congregate living site that facilitates movement to permanent housing as quickly as appropriate. Developer will offer supportive services specific to employment and job training; other custom services will depend on the target population the awarded developer designates in its proposal. Project staff should be aware of and know how to access community resources that can assist families achieve their permanent housing placement and stabilization goals, including services for employment, education, mental health treatment, alcohol and other drug treatment and legal services.

Examples of basic onsite services include:

1. **Housing Accommodations** – Housing units are in a safe, sanitary and accessible facility that is available 24 hours per day, seven days a week. Units can be self-contained (complete with kitchen and bathroom) or dormitory style with some personal privacy considerations.
2. **Hygiene Accommodations**
  - Sufficient supply of clean and reasonably private toilets and wash basins, with hot and cold running water.
  - Sufficient quantity of clean and reasonable private bathing facilities with hot and cold running water.
  - Provision of clean towels, soap and toilet paper.
3. **Food**
  - Referral or access to three, well-balanced and hot meals per day per person.
  - Reasonable accommodation for persons with a special dietary need that is documented by a medical provider.
4. **Laundry**
  - Regular access to laundry facilities.
  - Clean linen upon entry to housing and at least once per week.
5. **Mail Service**
6. **Transportation Services for School-aged Children or within reasonable distance to public transportation**
7. **Storage Facilities** – Onsite, secure storage must be made available to families to store their belongings while they remain in housing.
8. **Supportive Services** – Supportive services in the form of collaborative efforts between TH case management staff and families to meet individual needs. Delivery of supportive services that are family-centered and strength-based. Case managers who lead supportive services will be skilled in motivational interviewing and progressive engagement tactics. Supportive services shall:
  - align with individual and/or families' choice and prioritization of goals and will facilitate stabilization and movement into permanent housing and include services to promote improved employment and/or benefits
  - include an appropriate range of custom services for all household members, including children
  - promote autonomy and independence in making life choices
9. **Housing Focused Services** – All individuals and/or families are assisted with a housing-based service plan designed to meet the unique needs of each household. Services to assist families in finding and securing permanent housing as quickly as possible; services include, but not be limited to:
  - Intensive housing search/location services
  - Landlord negotiating assistance

- Rental application completion, including applications for subsidized housing
- Moving assistance, including the logistics of moving into permanent housing

### **REQUIRED SERVICES**

Project shall provide basic onsite housing services for families in a facility that is safe, sanitary, accessible, and meets all applicable building, safety, and health codes outlined in this NOFA and required by funding sources. Housing services include, sleeping and hygiene accommodations (showers, toilets, etc.), laundry, mail service, transportation services for children to attend school or reasonable access to public transportation, storage facilities and services to assist participants to quickly return to permanent housing. Project shall operate 24 hours per day, seven days per week and shall have at least one staff member on duty at all times.

### **LOW BARRIER ACCESS**

Given the need to accommodate residents with complex conditions, HHSA strongly encourages low-barrier entry and continued stay requirements and easily accessible assistance to all residents meeting the above criteria, including, but not limited to, people who have:

- no income/employment or income/employment history
- active or past history of substance abuse and/or mental health issues, or
- past involvement with criminal justice system

### **OTHER REQUIREMENTS**

The awarded Developer will:

- Provide annual reports regarding the metrics identified in the Program plan and other requested information relative to TH compliance and performance
- Enter and update their TH statistics in the Homeless Management Information System (HMIS), as applicable
- Provide HHSA staff with 24-hour access to the program facility, and ability to meet with and offer resources to residents participating in TH
- Guarantee client rights and confidentiality
- If the TH program operates outside of the local Coordinated Entry System (CES), TH program will furnish HHSA with the list of residents waiting for TH and do so quarterly or as the waiting list is updated
- Be responsible for all program facility and utility costs
- Ensure program staff, hired youth and volunteer staff who will have direct contact with shelter children will be cleared through the Department of Justice Fingerprinting System prior to providing services to ensure that each staff member has no past conviction involving crimes against children or who pose a potential risk to the well-being of children
- Maintain the facility, including all related janitorial, kitchen, and general up keep of the facility

### **EXPECTED OUTCOMES**

The annual vacancy rate for the TH program shall not exceed 5 percent. Application shall include expected annual outcome of the TH program including, but not limited to:

1. Number of residents served over the course of a year
2. Percentage of residents that increase their income from employment over the course of a year
3. Percentage of residents that will exit the program into permanent housing over the course of the year
4. Percentage of residents exited from the TH program into permanent housing that will maintain six months of housing from TH exit
5. Percentage of residents exited from the TH program into permanent housing that have increased income from employment
6. One hundred percent of residents with a negative exit from the TH program will complete a survey to capture the circumstance around their exit
7. Additional performance goals relative to the particular target population

## ATTACHMENT C – Borrower’s Insurance Requirements

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

### 1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer’s Liability Insurance.
- D. Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for the property owned by Borrower, including all property identified in the Agreement including improvements to the Premises constructed and/or owned by Borrower. 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 term of this Agreement, including during transit, installation, and testing.

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

### 2. Minimum Limits of Insurance

Borrower shall maintain limits no less than:

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

If the Borrower maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available.

### 3. Self-Insured Retention

Any self-insured retention must be declared to and approved by County Risk Management. At the option of the County, either: the insurer shall reduce or eliminate such self-insured retentions as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees, and volunteers; or the Borrower shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

### 4. Other Insurance Provisions

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

provisions:

- A. Additional Insured Endorsement  
Any general liability policy provided by Borrower shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees, and volunteers of the County, individually and collectively.
- B. Primary Insurance Endorsement  
For any claims related to this Regulatory Agreement, the Borrower's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees, and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.
- C. Notice of Cancellation  
Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County.
- D. Servability 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  
County of San Diego, Housing & Community Development Services, shall be named as Loss Payee on the property coverage. The Loss payee clause should read:

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

## **General Provisions**

### **5. Qualifying Insurers**

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

### **6. Evidence of Insurance**

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

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

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

### **8. No Limitations of Obligations**

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



**9. Review of Coverage**

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

**10. Self-Insurance**

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

**11. 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 Borrower's commencement of work under the Agreement (including subsequent policies purchased as renewals or replacements).
- B. Borrower will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Contract.
- C. If insurance is terminated for any reason, Borrower shall purchase an extended reporting provision of at least three years to report claims arising in connection with the Agreement.
- D. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

**12. Subcontractor's Insurance**

Borrower shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Borrower shall ensure that County is an additional insured on insurance required from subcontractors. Such Additional Insured endorsement shall be attached to the certificate of insurance in order to be valid and on a form 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. 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. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the County for all work performed by the Borrower, its employees, agents and subcontractors.

**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 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.

# 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 – Affirmatively Furthering Fair Housing Marketing Plan**

The [Affirmatively Fair Housing Marketing Plan \(AFHMP\)](https://www.hud.gov/sites/documents/935-2A.PDF) can be found at <https://www.hud.gov/sites/documents/935-2A.PDF> . This document 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 US Department of Housing and Urban Development and submitted to HHSa prior to leasing units.

## ATTACHMENT F – San Diego County Income Limits

Effective April 1, 2021\*

Area Median Income (AMI) \$95,100

<b>Family Size</b>	<b>80% AMI Low Income</b>	<b>50% AMI Very Low Income</b>	<b>30% AMI Extremely Low Income</b>
1	\$67,900	\$42,450	\$25,450
2	\$77,600	\$48,500	\$29,100
3	\$87,300	\$54,550	\$32,750
4	\$97,000	\$60,600	\$36,350
5	\$104,800	\$65,450	\$39,300
6	\$112,550	\$70,300	\$42,200
7	\$120,300	\$75,150	\$45,100
8	\$128,050	\$80,000	\$48,000

\*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 G – Management Plan Checklist

Proposals including the acquisition of existing housing must include a Management Plan for review and approval by HHSA. HOME program regulations under 24 CFR §92.253 require certain tenant and participant protections for all rental housing funded by the HOME program. In addition, HHSA requires a crime-free element in the Management Plan. Also required is a copy of the sample lease agreement and any addenda.

The Management Plan is required to follow the format below.

### MANAGEMENT

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

### OCCUPANCY- MUST INCLUDE HOUSING FIRST PRACTICES PER NPLH GUIDELINES

- |  |   |
|--|---|
| <input type="checkbox"/> Plan and Procedures for Publicizing and Achieving Early and Continued Occupancy   | <input type="checkbox"/> Property Management Plan (Section 307 of NPLH Guidelines)  |
| <input type="checkbox"/> Outreach (Affirmative Fair Housing Marketing Plan and Advertising plan)<br>AFHMP must be approved by HUD prior to leasing units | <input type="checkbox"/> Proof of low-barrier tenant selection process that prioritizes those with the highest needs for available housing            |
| <input type="checkbox"/> Resident Selection  | <input type="checkbox"/> Housing First best practices consistent with the core components set forth in Welfare and Institutions Code Section 8255 (b) |
| <input type="checkbox"/> Waiting List  | <input type="checkbox"/> Policies and practices to prevent evictions  |
| <input type="checkbox"/> Orientation   | <input type="checkbox"/> Reasonable accommodations policies and practices   |
| <input type="checkbox"/> Procedures for Determining Resident Eligibility and for Certifying and Annually Recertifying Household Income and Size          | <input type="checkbox"/> Tenant Files Management  |
| <input type="checkbox"/> Initial Certification   | <input type="checkbox"/> Property Management Software   |
| <input type="checkbox"/> Recertification   | <input type="checkbox"/> Privacy and Sensitive Information Safeguard  |
| <input type="checkbox"/> Changes in Eligibility During Occupancy   |   |
| <input type="checkbox"/> Leasing Procedures  |   |
| <input type="checkbox"/> Rent Collection   |   |
| <input type="checkbox"/> Rent Payment  |   |
| <input type="checkbox"/> Late Rents  |   |
| <input type="checkbox"/> Rent Increases  |   |
| <input type="checkbox"/> Procedure for Appeal, Grievance and Eviction  |   |
| <input type="checkbox"/> Right to Hearing  |   |
| <input type="checkbox"/> Eviction Procedures   |   |
| <input type="checkbox"/> Plans for Enhancing Resident-Management Relations   |   |
| <input type="checkbox"/> Resident Organization(s)  |   |
| <input type="checkbox"/> Community Room  |   |
| <input type="checkbox"/> Auxiliary Program   |   |

**MANAGEMENT PLAN CHECKLIST  
(CONTINUED)**

**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**

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



## ATTACHMENT H – Estimated Development Timeline

Development Title: \_\_\_\_\_ Applicant: \_\_\_\_\_

Anticipated TCAC Application Date \_\_\_\_\_ 4%  9%  4% State

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

## ATTACHMENT I – Crime Free Lease Addendum

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

1. Resident, any members of the resident’s household or a guest or other person under the resident’s control shall not engage in criminal activity, including drug-related criminal activity, on or near the said premises. “Drug-related criminal activity” means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Section 102 of the Controlled Substance Act [21 U.S.C. 802]).
2. Resident, any member of the resident’s household or a guest or other person under the resident’s control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near the said premises.
3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household, or a guest.
4. Resident, any member of the resident’s household or a guest, or another person under the resident’s control shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance as defined in Health & Safety Code §11350, et seq., at any locations, whether on or near the dwelling unit premises or otherwise.
5. Resident, any member of the resident’s household, or a guest or another person under the resident’s control shall not engage in any illegal activity, including: prostitution as defined in Penal Code §647(b); criminal street gang activity, as defined in Penal Code §186.20 et seq.; criminal threats, as prohibited in Penal Code §422 PC; assault and battery, as prohibited in Penal Code §240; burglary, as prohibited in Penal Code §459; the unlawful use and discharge of firearms, as prohibited in Penal Code §245; sexual offenses, as prohibited in Penal Code §269 and 288, or any breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the landlord, his agent or other tenant or involving imminent or actual serious property damage.
6. **VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF TENANCY.** A single violation of any of the provisions of this added addendum shall be deemed a serious violation and a material and irreparable non-compliance. It is understood that a single violation shall be good cause for termination of the lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.
7. In case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of the addendum shall govern.
8. This LEASE ADDENDUM is incorporated into the lease executed or renewed this day between Owner and Resident.

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Manager’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Property Name: \_\_\_\_\_ Address: \_\_\_\_\_