



Mayor's Office of Housing and Community Development
City and County of San Francisco

EXISTING NONPROFIT OWNED RENTAL HOUSING CAPITAL REPAIRS

NOTICE OF FUNDING AVAILABILITY

Pre-Submission Conference | March 1, 2023



INTRODUCTIONS

- **Mayor's Office of Housing and Community Development (MOHCD)**

- Mara Blitzer, Director of Special Projects

- mohcdHFOpps@sfgov.org



AGENDA

- ☐ **Welcome**
- ☐ **Funds Available**
- ☐ **Project Outcomes and Expectations**
- ☐ **Eligible Uses of Fund and Key Terms of Financing**
- ☐ **NOFA Timeline/Important Dates**
- ☐ **Selection Process**
- ☐ **Questions**

FUNDS AVAILABLE

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\$20 million

Requests for funding are limited to \$4 million per application, with a minimum request of \$1 million (see exception below) and not to exceed \$100,000 per unit.

Applicants are limited to two applications each, with an exception for a third application for minimum of \$250,000 and maximum of \$500,000 for small properties (less than 25 units).

PROJECT OUTCOMES

- **Preserve** the quality of affordable housing by completing urgent capital repairs related to life safety, accessibility, or structural integrity, for which City funding creates project feasibility
- Complete the scope of work within **three years** from award date
- Incorporate additional MOHCD priorities in the renovation scope of work, such as integrated pest management (**IPM**) and **electrification** of building systems
- Align with the implementation of **City policies** on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations
- Create opportunities for **Emerging Developers¹** (smaller organizations) in primary development roles, as members of the development team, or as key members of selected development teams
- Select partners that are able to work with MOHCD to deploy city resources, tools and expertise **to rehabilitate developments that are responsive to populations disproportionately impacted by systemic racism.**

PROJECT EXPECTATIONS 1

1. The affordable housing property seeking funds must have the following characteristics.
 - a) It must be located in the City and County of San Francisco.
 - b) It must be owned and operated by a 501(c)(3) nonprofit public benefit corporation or a limited partnership or limited liability company whose managing general partner is a 501(c)(3) nonprofit public benefit corporation that is in compliance with the California Attorney General's Charitable Trust Registry.
 - c) It must have been previously funded by MOHCD, the Office of Community Investment and Infrastructure (OCII), or the San Francisco Redevelopment Agency (RDA), and not in default under MOHCD's agreements, including but not limited to loan agreements and/or regulatory agreements.
 - d) It must not have undergone a major recapitalization (greater than \$75,000 per unit) in the previous 15 years.

PROJECT EXPECTATIONS 2



2. The work to be performed must:

- a) Address conditions that threaten the health and/or safety of a building's occupants, such as mold, water intrusion, lead and pest remediation, damaged or inadequate fire/life-safety systems or ADA-compliance.
- b) Replace building components or systems that contribute to a building's inefficient use of energy or whose condition requires unreasonable and excessive maintenance and repair expenditures.

PROJECT EXPECTATIONS 3

3. The need for urgent, immediate or short-term improvements must be documented.

- a) It must be identified in a CNA as an immediate or short-term need for capital investment. Short-term improvements are defined as improvements that must be completed within 12 to 24 months.
- b) In addition to a CNA, respondents may provide evidence of need in the form of notices of violation, failed inspection reports, and/or third party technical reports on major systems, such as roofing, elevators or HVAC.

ELIGIBLE USES OF FUNDS

- Construction contract payments for capital repair/rehabilitation work. Estimates must assume use of applicable prevailing wage standards.
- Architectural and engineering expenses.
- Temporary tenant relocation expenses if necessary.
- Construction period insurance, permit fees and other costs associated with the rehabilitation work.
- Other necessary soft costs associated with the rehabilitation work.
- Legal and transactional costs associated with closing MOHCD funding.
- Applicant's project management and construction management expenses limited to no more than 15% of construction or repair hard costs.
- Capitalized replacement reserves if necessary to ensure the adequacy of such reserves to meet anticipated capital improvement needs.
- Completion of an updated CNA that anticipates future capital improvement needs for at least 15 years, and associated reserve analysis.
- Commercial construction costs only eligible to the extent that repairs are required to maintain habitability of the entire building. Commercial tenant improvements are not eligible for funding under this NOFA.

FUNDING TERMS



- Income Limits
- Affordability Term
- Capital Needs Assessment
- Replacement Reserve Analysis
- Marketing
- Annual Monitoring
- Other, such as: Operating Fees Policy, Residual Receipts Policy, and Hold Harmless Policy,



NOFA Timeline

NOFA Issued	February 17, 2023
Pre-submission conference at MOHCD	MARCH 1, 2023
Deadline for questions and requests for additional information	APRIL 7, 2023
DEADLINE FOR SUBMITTING APPLICATIONS	APRIL 28, 2023 BY 4:00 P.M.
Notification to development teams who met submission requirements	MAY 19, 2023
Development team interviews, if necessary	EARLY JUNE 2023
Announcement of selection of development team	JUNE 2023

MINIMUM PROPOSAL REQUIREMENTS 1 OF 2

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- Proposals must demonstrate financial feasibility and include a Financing Plan, including a detailed Sources and Uses Budget, that utilizes the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, available on the MOHCD website (see <https://sfmohcd.org/housing-development-forms-documents>).
- Proposals must demonstrate—through provision of specific examples of inputs used for estimating, including prevailing wages—that the project's total budget, as well as its specific line items, is comparable to recent and similar projects, to industry standards, and is compliant with funding source regulations, MOHCD policy, and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total cost, City subsidy, and construction cost.
- Proposals must provide a construction cost estimate that reflects current construction costs, including prevailing wages, and show escalation assumptions as a separate line item.
- Proposals must include an operating budget that includes all expenses necessary to properly operate and maintain the building.

MINIMUM PROPOSAL REQUIREMENTS 2 OF 2

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- Proposals that include any tenant displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.
- Proposals must include a community engagement plan that demonstrates the capacity to generate necessary resident and neighborhood support for the proposed scope of work. Include any evidence of support expressed to date for the project, as well as plans for community engagement with residents and neighbors going forward.
- As applicable, Proposals must include a description of how any commercial vacancies will be addressed.
- Proposals must include demographic data regarding the Boards of Directors of member organizations of the applicants' teams and staff.

APPLICATION CHECKLIST

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☐ **See Form B**

Key elements:

- ☐ Narrative max 5 pages
- ☐ Form B - Submittal Checklist: Check all items that are included in the submission package.
- ☐ Form D - Applicant Description, and supporting documents (see below for complete list)
- ☐ Form G - Projected staffing workload form
- ☐ Form H - Disclosures Form
- ☐ Form I – CDLAC Self Score Worksheet
- ☐ Evidence of Authority (corporate resolution)
- ☐ MOHCD Proforma Application
- ☐ Project Schedule (applicant's own form)
- ☐ Capital Needs Assessment

APPLICATION CHECKLIST continued

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As needed:

- ❑ Copy of Loan Agreement with MOHCD
- ❑ Work order log, Notices of Violation, etc, to document need for repairs
- ❑ Bank Statement as of 12/31/22 showing Capital Reserve Account Balance
- ❑ IPM site study



SCORING OVERVIEW

<u>Category</u>	<u>Points</u>
Alignment with City Goals	10
Urgency	25
Need	35
Cost and Budget	25
Operations	20
Bonus Points	5
TOTAL POSSIBLE POINTS	120



Questions?

Reminder: submit any questions to MOHCD at mohcdHFOpps@sfgov.org and reference “2023 ENP NOFA” in the subject line.

MOHCD will respond in writing to questions from this meeting as well as questions received before April 7th. Anyone who has registered for the NOFA (submitted Attachment C) will receive notification when responses are published.



THANK YOU