

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



London N. Breed
Mayor

Eric D. Shaw
Director

March 7, 2023

Re: Questions and Answers Related to the San Francisco Mayor's Office of Housing & Community Development (MOHCD) 2023 ENP¹ Notice of Funding Availability (NOFA) Pre-Submission Conference on March 1, 2023

1. Will a developer fee be allowed?

Sponsors are eligible for reimbursement of project management and construction management expenses, limited to no more than 15% of construction or repair hard costs. Note that in the previous NOFA, this reimbursement was limited to 10%. See page 9 of the NOFA, 7th bullet from the top of the page.

2. Can you go into more detail about the \$100k per unit max?

The maximum request/award per project is limited to \$100,000 per unit. For a project that has 35 units, the maximum request would be 35 x 100,000 = \$3,500,000. If your project has more than 40 units, then the lower of \$4 million or \$100,000 per unit is the applicable limit.

3. If our funding needs are more for the small sites (<25 units), do we have to request funding for our larger properties for the first two asks and only get funding for one small site?

The only smaller sites (less than 25 residential units in the building) that we anticipate funding under this NOFA are those that are either bundled, such that the project request is at least \$1 million, or is the third project submitted by an organization that has made two other requests.

4. We have a property that is using First Come First Serve and not going through DAHLIA, would this project be ineligible?

If your project has previously been approved by MOHCD for First Come First Serve applications, then you will not be required to use DAHLIA for re-rental. However, if your project currently does not use DAHLIA, and you have not been approved for First Come First Serve applications, then you will be required to transition to the DAHLIA process.

¹ See also : <https://sf.gov/information/2023-nofa-existing-nonprofit-owned-rental-housing-capital-repairs>

5. With regard to Need Scoring C vi - if our project is pursuing 9% LIHTC allocation how will our project be scored? And do we still need to provide CDLAC tiebreaker?

If your project has formally received permission from MOHCD to submit a 9% tax credit application under the San Francisco geographic set-aside, then there is no need to submit the CDLAC scoring form. Please instead submit a copy of the communication from MOHCD related to the geographic set-aside. If you don't have such communication in hand, then you will need to submit the CDLAC scoring form, as well as explanation of how you've determined that you would be competitive for a 9% tax credit allocation.

6. Are funds meant to be spent on individual units, or only on capital components of the building?

Funding may be spent on individual units, insofar as the scope of work meets one of the funding requirements (for example, life safety.)

7. You mentioned these funds could cover operational deficits, what type?

See page 9, the 8th bullet, which states that capitalized reserves are an eligible use of funds under this NOFA. Although the proposed Capitalized Operating Subsidy Reserve will be considered on a case by case basis, MOHCD seeks to fund projects that can operate without a request for additional capital from the City for at least 5 years.

8. If you have cashed out a property, is it correct to assume that *that* property is ineligible for the NOFA? if, as part of that cash out, you've gotten some "receiver" properties approved where you plan to spend that cash - are *those* properties eligible or ineligible, or could they be eligible if you are able to show that there will be further need beyond the identified uses of that cash?

Properties that have already cashed out (aka "resource properties") are not eligible for funds under this NOFA. Properties that are "receivers" are only eligible under this NOFA insofar as the additional scope needed is at least \$1 million and the project otherwise meets the other funding requirements.

9. If we intend to bundle capital repairs at multiple sites together in order to meet the minimum \$1M funding requirement, I'm thinking we submit a separate MOHCD proforma and CNA for each individual site in the bundle. Is that right?

Yes, you will need to submit a separate MOHCD Proforma Application file for each contributing site. You will also need to submit a "project" MOHCD Proforma Application that aggregates all of the information, since MOHCD would be making one loan per application.

10. So then would the min. project size for the first two projects be 10 units (\$1M min. ask, with \$100K/unit max.)?

Yes.

11. Regarding bonus scores, are solar installations considered in the electricity bonus?

No.

12. How recent of a CNA do you need for this?

We have decided not to require a minimum age for the CNA. If the CNA provided isn't completed within 2022 or 2023, you will need to apply an escalation factor to any cost estimates provided in the document.

13. When is the last date to submit questions to MOHCD? Says March 17th in some places and April 7th in others.

April 7th.