



COUNTY OF
SAN MATEO

DEPARTMENT
OF HOUSING

264 Harbor Blvd.
Bldg A

Belmont, CA 94002

TEL (650) 802-5050

FAX (650) 801-5049

www.smchousing.org

**July 1, 2017 –
June 30, 2018**

**PROGRAM GUIDELINES
FOR FUNDING OF
CAPITAL PROJECTS:**

**HOUSING DEVELOPMENT
&
PUBLIC FACILITY DEVELOPMENT &
IMPROVEMENTS**

CDBG ~ HOME

TABLE OF CONTENTS

I.	PROGRAM OVERVIEW	3
II.	FUNDING PRIORITIES	4
III.	ELIGIBLE ACTIVITIES	4
IV.	PROGRAM SPECIFIC QUALIFYING CRITERIA	5
	1. Income Targeting for Housing Development Activities	5
	2. HOME Required Local Match and Affordability Covenant	6
	3. Mixed Use Projects	7
	4. Community Housing Development Organization (CHDO)	7
V.	FUNDING PROCEDURES AND REQUIREMENTS	
	1. Religious Organizations	7
	2. Multiple CDBG/HOME Funding	7
	3. Project proposals with Location Outside Urban County	8
	4. Policy of Loans	8
	5. Project Schedule	8
	6. Federal Labor Requirements	8
	7. Payment of Prevailing Wage	9
	8. Environmental Review Process	9
	9. Mandatory Acknowledgement of County and HUD Funding	10
	10. Incurring Costs and Contract Requirements	10
	11. Acquisition	10
	12. Property Standards	10
	13. Hazardous Materials	11
	14. Accessibility Requirements	11
	15. Fair Housing	12
	16. Demographic Data on Project/Program Beneficiaries	12
	17. Relocation	12
	18. Funding on Reimbursement Basis	13
	19. Timely Use of Funds	13
	20. Financial Audits	13
	21. Green Building	13
	22. Background of Nonprofit Organization	13
	23. Designated Person to Execute Documents	14
	24. Fingerprinting Requirements of Staff	14
	25. Equal Benefits Compliance	14
	26. Debarment	14
	27. Special Needs Housing	14
	28. Persons with Special Needs	15

VI. EVALUATION CRITERIA		15
1. Threshold Criteria		15
2. Evaluation Criteria	3.	15
VII. APPLICATION SUBMISSION		15
1. Application Preparation Workshop		15
2. Submission Requirements		15
3. Submission Deadline		16
4. Information and Assistance		16
VIII. EXHIBITS		
1. Sample Certificate Regarding No Single Audit, if needed		
2. CHDO Certification/Recertification (Attachment 15 – Housing)		

PROGRAM OVERVIEW

Notice of Funding Availability (NOFA). The County of San Mateo invites applications for a variety of housing and community development capital activities described in Section II. These Program Guidelines specifically focus on two categories of activities – Housing Development and Public Facilities Development and/or Improvement. **Until Congress adopts a final budget, the total amount of funds to be available will not be known.** We are estimating an available amount based on FY 2016-17 funding that we will have approximately **\$2,167,216** to distribute. Funding for these two categories will be from federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs. The timelines for the NOFA public participation and funding approval process can be found at www.smchousing.org.

Until Congress adopts a final budget, the total amount of funds to be available will not be known. Estimates of funding availability are shown in the Funding Category table below. These amounts will be adjusted once the final allocations from HUD are determined and any County Department of Housing reprogrammed and/or repayments have been ascertained)

Funding Category	Approx. Amount Available (based on current FY 2015-16 Budget)	Source
Housing Development/Acquisition-Rehab (Loans)	~ \$2,047,216	CDBG/HOME
Public Facility Development/Improvements (Loans)	~ \$120,000	CDBG

Contract Minimum: No contract will be executed for less than \$25,000.

Basic Applicant Requirements:

- Applicants must be an eligible City, a County or other public agency, or a qualified 501 (c) (3) or (c) (4) non-profit organization.
- All applicants must submit the latest certified financial audit of their organization including any management letters for applicable organization Fiscal Year
- Non-profit organizations must submit evidence of current nonprofit status and an up-to-date roster of their Board of Directors.
- If you are proposing a new project located within any city's jurisdiction, the City Manager from that city must be notified and evidence of this notification must be included with the application. You are encouraged to seek a response letter acknowledging your notification.

Application Deadline. Please fill out application plus submit all attachments on-line at www.citydataservices.net/ by:

Friday, January 27, 2017 at 5:00 PM.

NOTE: No late applications. No paper submissions. No Exceptions.

Funding Availability. July 1, 2017 is the earliest that you can access FY 2017-18 funding, provided a funding agreement has been executed between your agency and the County after all HUD requirements have been met.

Application Review Process. Applications will be reviewed by County staff against priorities and criteria described in more detail in Section VI of this NOFA. Staff will formulate preliminary recommendations to be presented to the Housing & Community Development Committee (HCDC), an advisory body to the County Board of Supervisors.

A **Public Hearing will be held on Thursday, March 23, 2017** by the HCDC. Applicants will present their application and answer any questions at this public hearing. After hearing from all the applicants, the HCDC will formulate funding recommendations.

The HCDC, through the Department of Housing, will then forward the recommendations to the **County Board of Supervisors on or about Tuesday, April 25, 2017** for HUD submission on or before May 15, 2017.

I. FUNDING PRIORITIES

Successful applications will meet one of the funding priorities enumerated in the County's FY 2017-2018 NOFA Funding Priorities, which can be found at www.smchousing.org. At this point, funding amounts for the categories are approximate. The actual amounts are subject to the Congressional appropriations. The FY2017-2018 allocations for San Mateo County are expected to be announced late 2016 or in the first part of 2017.

No contract will be awarded for less than \$25,000.

II. ELIGIBLE ACTIVITIES

Projects considered for funding must meet all three of the following requirements: (1) be an eligible activity for CDBG and/or HOME funding; (2) qualify for funding on the basis of principally benefiting lower-income persons; and (3) meet one of the County of San Mateo priorities referenced above.

Listed below are specific eligible activities which may be carried out with funds under this NOFA. CDBG and HOME funding each has restrictions on funding use. **For example, CDBG funds cannot be used for direct construction costs for new housing. HOME funds cannot be used for shelter improvements as they are not considered permanent or transitional housing.** While the list is not complete, it provides a spectrum of the more typical activities funded under the CDBG and HOME programs:

Examples of Eligible Activities:

CDBG	HOME
Housing (Permanent)	Housing (Permanent or Transitional Housing)
<ul style="list-style-type: none"> • Property Acquisition • Rehabilitation 	<ul style="list-style-type: none"> • Property Acquisition • Rehabilitation
Housing (Permanent)	Housing (Permanent or Transitional Housing)
<ul style="list-style-type: none"> • Demolition/Site Clearance • Disposition • Certain Soft Costs/Predevelopment • Relocation • Off-Site Improvements/Public Infrastructure • Conversion of Non-Residential Buildings to Housing 	<ul style="list-style-type: none"> • Demolition/Site Clearance • Disposition • Soft Costs/Predevelopment • Relocation • New Construction • Conversion of Non-Residential Buildings to Housing
Public Facilities	
<ul style="list-style-type: none"> • Property Acquisition • Rehabilitation • Demolition/Site Clearance • Disposition • Soft Costs/Predevelopment • Relocation • New Construction 	

III. PROGRAM-SPECIFIC QUALIFYING CRITERIA

1. Income Targeting.

Public Facilities. At least 51% of beneficiaries of the funded activity must be low income. **Income must be documented** unless the facility serves 100% a presumed benefit group or qualifies for funding under CDBG Low-Mod Area Benefit. To qualify for Area Benefit, the facility must be located in a service area that comprises at least 45% low-income residents ("Low-Mod" in CDBG terminology). The City of East Palo Alto and the areas of North Fair Oaks and Belle Haven qualify for area benefit. Other areas may qualify if it can be determined the facility serves a defined low income area.

Presumed Benefit Group(s): The CDBG Program presumes the following groups to be low income. Their incomes need not be documented, but their presumed status must be verified.

- Abused children
- Victims of domestic violence
- Seniors (62+ years)
- Severely disabled adults
- Homeless persons
- Illiterate adults
- Persons with AIDS
- Migrant farm workers

Area Benefit Determination: San Mateo County is considered a high income and therefore qualified under the exception criteria to use a low income area percentage lower than 51%. San Mateo County's exception criteria is **45%** low income (versus 51%). To determine if a facility is located in a qualified service area based on the percentage of low income residents in the applicable census tracts and block groups, please consult staff or go to www.smchousing.org for the list of Census Tracts for Low-Mod Determination. The schedule is in Excel format and allows for computation if necessary. Should DOH Staff or HUD question the selected service area census tracts for eligibility, the applicant may be required to undertake statistically significant household income surveys of the applicable area for low-mod determination.

Housing. Should a project be approved for funds under this NOFA, Staff will make the determination of how much of CDBG, HOME, or a combination of both will be allocated. While mixed income developments are allowed, all of the units assisted with County-administered CDBG/HOME funds will be occupied by lower income households at affordable rents (excluding the manager's unit. All CDBG-assisted must be occupied by qualified lower income households at affordable rents. For a current San Mateo County lower income schedule, go to www.smchousing.org for the San Mateo County Rent and Income Schedule, which shows current qualified household incomes and affordable rent levels. Priority will be given to projects targeting Very-Low and Extremely-Low Income households with affordable rents.

- 2. HOME-Required Local Match and Affordability Covenant**. HOME investment in any project is required to be matched 25% with non-federal forms of subsidy. The provision of affordable housing is seen as a partnership, and, as such, local financial leveraging from local, state and other sources must be committed. Leveraging County funds from other than County sources will be an important consideration in any funding recommendation. You will be responsible for negotiating a non-federal match contribution from the jurisdiction in which your project is located and/or from other sources.

The match requirement can be met with:

- Cash invested permanently in the project (from local jurisdiction or foundation grant);
- Value of waived taxes, fees or charges;
- Value of land or real property donated or provided at less than appraised value;
- Cost of infrastructure improvements associated with HOME projects;
- Present value of deferred income stream on below market rate or deferred loans;
- Cash value of donated materials and labor;
- Cash value of donated professional services; and/or
- On-site Supportive services;

Owner equity/owner cash contribution will not count toward the HOME match requirement.

For HOME funded projects, an affordability deed restriction or covenant will be recorded against the property. This covenant will have an affordability term of a minimum of 20 years for new construction and 15 years for housing rehabilitation.

3. **Mixed Use Projects.** Housing in a project that is designed in part for uses other than residential use qualifies as affordable housing if such housing meets the criteria for affordable rental and/or ownership housing described above. The Department of Housing funding portion of total development costs cannot exceed the portion of space for the affordable housing component in the development.
4. **Community Housing Development Organization (CHDO).** As a HOME Jurisdiction, the County is required to set aside at least 15% of annual HOME allocations for CHDO-owned, -sponsored, or -developed housing projects. CHDOs requirements are enumerated in Section 92.2 of the HOME Investment Partnerships Program regulations (24 CFR Part 92). CHDOs are required to re-qualify each time they apply for HOME funds. Whether new or an existing CHDO, if you are applying for CHDO funds, please submit the CHDO Certification Form (see Exhibit 2 for form).

IV. FUNDING PROCEDURES AND REQUIREMENTS

1. **Religious Organizations.** Funds provided under this NOFA cannot be used for religious activities. However, HUD will allow faith-based organizations to access funds for programs and capital projects meeting County funding priorities described above without having to form secular affiliates.
2. **Multiple CDBG/HOME Funding.** If you are proposing a project/program which will serve a county-wide population or a population located in one or more of the entitlement cities (e.g., Daly City, South San Francisco, San Mateo, and Redwood City), please also contact the affected entitlement city for funding. The County will fund only that portion of the project's budget which affects the Urban County jurisdiction. The San Mateo Urban County consists of the unincorporated areas of the County plus the 16 small cities. Excluded from the Urban County are the four largest cities – Daly City; South San Francisco; San Mateo; and Redwood City.

CDBG and HOME contacts in the entitlement cities in the County:			CDBG	HOME
Daly City	Lenelle Suliguin lsuliguin@dalycity.org	650 991-8256	√	√
South San Francisco	Economic Development and Community Development	650 829-6620	√	
San Mateo	Sandra Council scouncil@cityofsanmateo.org	650 522-7223	√	
Redwood City	Rhonda Coffman rcoffman@redwoodcity.org	650 780-7299	√	√

3. Project Proposals with Location Outside Urban County Jurisdiction. The Urban County comprises the 16 small cities plus the unincorporated County areas. The four largest cities – Daly City, South San Francisco, San Mateo, and Redwood City – are outside the Urban County. If you are requesting CDBG funding for a project that will be located outside the Urban County jurisdiction, you must demonstrate that residents of the Urban County jurisdiction will receive the principal benefit from the Urban County CDBG funds requested.

4. Policy of Loans.

Housing Developments: County funding assistance for housing developments will be structured as loans. DOH staff assigned to your contract will work with the sponsor borrower to develop loan terms to ensure financial feasibility for the project.

Public Facilities: Funding for public facilities will also be structured loans, typically 3% simple interest deferred loans. Funding for improvements to a leased facility may likely be forgiven over a period of time to be negotiated and determined based on the amount of the actual CDBG funding.

5. Project Schedule. When preparing the project schedule, it is important to factor in sufficient time allowances for various administrative procedures. These include County preparation of the HUD-required environmental review, negotiation and execution of the funding agreement between your agency and the County, and formal approval by the County. Funding amounts exceeding \$100,000 will need Board of Supervisors approval.

6. Federal Labor Requirements

Projects receiving HUD funds may be subject to federal labor requirements in the construction activity:

Federal Requirements	Requirements	Threshold (applies to Prime & Subcontracts)
Davis-Bacon – HOME-funded projects	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required.	12+ HOME-assisted units will trigger this requirement regardless of the amount of HOME funds invested in a project.
Davis-Bacon – CDBG -Funded Housing Rehab	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required..	Rehab of housing projects involving 8+ units, regardless of construction contract amount. (CDBG cannot be used to pay for direct hard costs of new housing construction.)
Davis-Bacon – CDBG-Funded Non-Residential Construction	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required.	CDBG funded construction contract of \$2,000+, regardless of CDBG investment amount.
Davis-Bacon – Project-Based Vouchers	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required.	9+ project-based Section 8 vouchers for new construction or rehab of housing.

Section 3	Good faith efforts to hire qualified local low income residents/businesses. A public housing resident in San Mateo County will meet this requirement. This is applicable only if the project construction generates new hires. <u>Goals:</u> offering 30% of <u>new</u> employment opportunities to Section 3 residents; awarding 20% of contract activity to Section 3 businesses.	Construction contract in amounts greater than \$100,000 will generate this requirement if CDBG/HOME funds in excess of \$100,000 are invested in construction contract activity.
Minority Business Enterprise/Women-owned Business Enterprise	Good faith efforts to hire/contract with minority and women-owned businesses; includes subcontracts.	Any prime or subcontract of \$10,000+.

7. **Payment of Prevailing Wages.** Public funds used for actual construction costs (including rehabilitation), the construction component will be subject to local prevailing wages. The sponsor will choose to use the stricter of the State or Federal wage decision if there are State funds involved.

In terms of housing, if your project involves CDBG funds for residential rehabilitation of 8 or more units or your funded project involves construction or rehabilitation of 12 or more HOME-assisted units, your construction contractor will be required to pay prevailing wages and provide periodic reports to document such payments in accordance with the Davis-Bacon and Related Acts as set forth in the Code of Federal Regulations (Title 29 CFR Parts 1,2,5,6 and 7). Moreover, if the project is non-residential and CDBG-funded, and the construction contract is \$2,000 or greater, Davis-Bacon applies.

The process to comply with the Davis-Bacon Act federal labor standards may add a couple of weeks to your bidding process. Compliance activities include accessing the appropriate current prevailing wage decision from the federal Department of Labor website (www.access.gpo.gov/davisbacon), reviewing the draft and final bid documents by County Housing staff, advertising for bids, bid opening, award, and holding a preconstruction conference. Negotiated bids are acceptable provided that the Project sponsor can substantiate reasonableness of the price.

In your obtaining construction cost estimates to support the application, it is strongly advisable to secure two bids made on the basis of union scale (even if the bidder may be non-union) so that project costs will not unexpectedly increase as a result of the prevailing wage requirements. Costs for accessibility modifications for persons with physical disabilities and builders risk insurance may need to be included in the estimate. For public facility improvements, copies of cost estimates, if available, should be attached with the application.

The monitoring of prevailing wage for capital projects can be time-consuming and expensive. **The cost of monitoring and reporting of the Davis-Bacon required activities may be handled by a third party retained by the County as needed and would be charged to your project and netted out of the amount allocated to your project.**

8. **Environmental Review Process.** Federal regulations require local jurisdictions to prepare a NEPA (National Environmental Protection Act) environmental review determination for every activity funded with federal funds to examine environmental impacts on the built and natural environment. **For complex projects, including most capital projects, this review may**

take approximately 6 to 16 weeks. If environmentally significant conditions are found and/or mitigation measures required, the time to complete the environmental review process will be extended.

For capital projects, this process can be time-consuming and expensive. The cost of preparation of the NEPA Environmental Review (ER) by a third party retained by the County will be charged to your project and netted out of the amount allocated to your project. DOH will incur these costs prior to execution of a funding agreement, with the actual total cost of the ER reimbursed to the County Department of Housing from your allocation or loan proceeds.

- 9. Mandatory Acknowledgement of County and HUD Funding.** All projects receiving any type of funding assistance and or substantial technical assistance through DOH will be required to state such in any advertising, marketing, public presentations, press releases, written materials or project descriptions. Such acknowledgement should also identify the U.S. Department of Housing & Urban Development (HUD). Capital projects must attach signage which must be approved by DOH Staff in advance and which acknowledges the County and HUD as funders.
- 10. Incurring Costs and Contract Timing Requirements.** If you have been awarded County funds for your activity, you must not commit or obligate these funds in any way before completion of the environmental review (ER). The County cannot reimburse you for qualified costs incurred until after contract execution, including execution of loan documents (i.e., Note; Deed of Trust; and HOME Affordability Covenant if HOME funds are involved).

When planning your project schedule, please allow four weeks to four months for preparation and execution of the funding agreement. As noted earlier, contracts involving more than \$100,000 will need County Counsel review and Board of Supervisors approval, which typically requires a minimum of two to four months' lead time before you can access the funding.

- 11. Acquisition.** If you are requesting funds for real property acquisition, the purchase agreement/ option should allow for sufficient time for the performance of required CDBG/HOME and County administrative activities. A recent appraisal and preliminary title report should be attached to the application if you are already under an agreement or option for the property. If an appraisal is not available, please submit one as soon as is practical (not later 30 days after application due date). **An appraisal will also be required if the project involves acquisition even if you do not intend to use our funds for this purpose.**

If the acquisition price is significantly higher than appraised value, the County may reject the application or deny the funding unless the price can be negotiated reasonably close to the appraised value, or the applicant can provide a justification for the difference.

- 12. Property Standards.** At a minimum, housing that is assisted with County Housing funds must meet federal housing quality standards. Newly constructed or substantially rehabilitated housing must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances. Newly constructed housing must meet energy efficiency standards of the current edition of the Model Energy Code published by the Council of American Building Officials. Substantially rehabilitated housing must meet the cost effective energy

conservation and effectiveness standards set forth in 24 CFR part 39. Title 24 of the California Energy Code meets the above requirement.

In all new construction and substantial rehabilitation projects, Section 504 of the Federal Rehabilitation Act requires at least 5% of the HOME assisted units must be accessible to individuals with mobility impairments and an additional 2% to individuals with sensory impairment.

- 13. Hazardous Materials:** It is HUD policy, as described in §50.3(i), that "(1)... all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. (2) HUD environmental review of multifamily and non-residential properties shall include evaluation of previous uses of the site and other evidence of contamination on or near the site, to assure that occupants of proposed sites are not adversely affected by the hazards..." Sites known or suspected to be contaminated by toxic chemicals or radioactive materials include but are not limited to sites: (i) listed on an EPA Superfund National Priorities or CERCLA List, or equivalent State list; (ii) located within 3,000 feet of a toxic or solid waste landfill site; or (iii) with an underground storage tank (which is not a residential fuel tank).
- 14. Lead Mitigation Requirement:** HUD requires that certain housing projects built before 1978 will need to meet lead-mitigation standards. These include activities involving housing rehabilitation, tenant-based rental assistance, acquisition, leasing, support services, and operations. Housing exclusively for seniors or persons with disabilities is exempted, unless a child under age 6 is expected to reside there. Also exempted are 0-bedroom dwellings, including efficiency apartments, single-room occupancy structures (SROs), or rentals of individual rooms in residential dwellings.
- 15. Accessibility Requirements.** Federal law requires that housing and non-housing developments and programs assisted with federal funds comply with accessibility requirements under Section 504 of the Rehabilitation Act of 1973. This Act prohibits discrimination against otherwise qualified handicapped persons in the provision of programs, facilities and employment supported by Federal funds. For capital projects, the Department of Housing may ask that developers and their architects sign a certification that their construction documents meet the federal accessibility requirements.

In the case of multifamily rental housing, projects of five or more units must be designed and constructed to be readily accessible to and usable by persons with disabilities. For new construction involving five or more units, and substantial rehabilitation projects of 15 or more units (with substantial rehabilitation defined as rehabilitation costs representing 75 percent or more of the replacement costs of the completed facility), the following requirements must be followed - a minimum of 5 percent of the dwelling units must be accessible to individuals with mobility impairments and an additional 2 percent accessible to individuals with sensory impairments. At the minimum, one unit shall be made accessible to mobility-impaired individuals and one unit accessible to sensory impaired individuals.

When less than substantial rehabilitation is undertaken in multifamily rental housing projects of any size, these alterations must, to the maximum extent feasible, make the dwelling units accessible to and usable by individuals with disabilities, until a minimum of 5 percent of the

dwelling units (but not less than one unit) are accessible to persons with mobility impairments; for this category of less than substantial rehabilitation, the additional 2 percent of the units for persons with sensory impairments does not apply. Also for this category of rehabilitation, if undertaking accessibility alterations imposes undue financial and administrative burdens on the operation of the multifamily housing project, the alterations are not required.

The project sponsor and their architect will be required to execute a certification of compliance which identifies the specific units meeting these requirements.

16. Fair Housing. All housing, regardless of whether funded with federal funds or not, must comply with the Fair Housing Act, which prohibits discrimination in housing practices on the basis of race, color, religion, sex, and national origin. This Act also applies in the sale and/or rental of housing for families with children and persons with disabilities. This Act further establishes requirements for the design and construction of rental or for-sale multifamily housing to ensure a minimum level of accessibility for persons with disabilities. For units designed and constructed for first occupancy after March 13, 1991, the units, including public and common areas, must be designed and constructed in accordance to meet certain disability standards. The Act makes a distinction between "covered" and not "covered" dwelling units. Covered multifamily dwelling units are: units in buildings consisting of 4+ units served by one or more elevators, or ground floor dwelling units in other buildings with 4+ units.

17. Demographic Data on Project/ Program Beneficiaries. If your project – housing or non-housing - is funded, you will be required to provide DOH with a certain demographic data depending on your particular type of project. The required data may include: client household income, client racial/ethnic background, and head of household information. HUD requires demographic reporting in a variety of categories including but not limited to race/ethnicity. The County will provide you with required reporting forms.

In addition, if your project qualifies for funding under CDBG criteria limiting benefit to very-low and low-income individuals, you will be required to verify your client's income by obtaining employment verification and/or benefits income verification and/or tax returns or client self-certification.

18. Relocation. If your capital project – housing or non-housing - involves either temporary or permanent displacement of tenants, homeowners, or businesses, you may have to pay relocation expenses under complex rules under either the Uniform Relocation Act (URA) or Section 104(d) of the Housing and Community Development Act. These costs can be substantial and must be included as part of your total project costs. Relocation costs are an eligible activity under HOME and CDBG. While relocation costs are eligible activities under the funding provided by this NOFA, your application will be reviewed for your ability to obtain other sources of funding to support your various costs, including relocation. If you think your project may involve relocation, please contact the County Housing staff to discuss relocation issues and applicable federal requirements. Relocation assistance and payments for eligible persons under Section 104(d) or the URA both require a rental assistance payment based on a period of several months – 42 months under URA and 60 months under Section 104(d).

19. Funding on Reimbursement Basis. The County of San Mateo has a strict policy of not providing funding advances before project costs are incurred and paid. The County normally funds on a reimbursement basis. Reimbursement is made only upon completion and payment of incurred costs.

In cases where it is not possible for the project sponsor to advance the project costs and then seek reimbursement, direct payment can be made to a third party after certification from the project sponsor that work has been satisfactorily completed and accepted.

For acquisition projects, the portion of County funds for acquisition costs is deposited directly into escrow with instructions for release upon satisfactory completion of escrow requirements.

20. Timely Use of Funds. If funds are awarded to your project, the funds should be obligated (under contract) by **March 2018**. If the funds have not been obligated by that date and the delay is not the result of the County, the DOH Director will review the project status and make a recommendation to the Housing & Community Development Committee (public advisory body on CDBG, HOME, ESG allocations) on whether the funding commitment for your project should be extended for one year; this is not automatic, and must be justified by the project sponsor.

21. Financial Audits. Project applicants that are either non-profits or cities are required to submit a copy of the most recent¹ certified financial audit prepared by an independent CPA firm, including any management letters, of their organization or city. Annual submission of yearly financial audits reports will also be required during the term of the financing or funding agreement. If your agency has expended \$750,000 or more of federal funds from any source in the audited year, the audit should include a "single audit" and be in compliance with federal OMB Circular A-122 or A-133, depending on if your entity is a nonprofit organization or public agency. If project applicants have not expended \$750,000 or more of federal funds from any source in any one year, they must attach a certification attesting to this fact.

22. Green Building. San Mateo County is committed to funding affordable housing projects that incorporate Green Building practices, materials, and technologies. Green Buildings (often referred to as "sustainable building"). Applicants should articulate how their proposed project will be integrated to the site and region; use energy, water and materials wisely; minimize and recycle construction waste; create their own energy; result in a durable and easily maintained building; promote good health for both construction workers and residents; and enhance housing affordability.

23. Background of Nonprofit Organizations. All nonprofit organizations applying for funds must meet the following requirements:

- Governing Body - Governing body of the organization should be vested in a responsible and active voluntary board which meets at least quarterly and establishes and enforces policy. The governing body should be large enough and so structured to be representative of the community it serves.

- Personnel/Staffing - The organization must provide for adequate administration of the project development or activities requested for funding under this NOFA. At a minimum one person should be designated the full-time director of the organization.

24. Designated Person to Execute Documents. Once a nonprofit agency has been approved for funding, the County must know who has been authorized by the nonprofit's governing body to execute all necessary documents related to the funding. Nonprofits should submit a copy of their Board resolution designating a person responsible for executing all documents related to the funding. This may be combined with the County-required resolution from the nonprofit that specifically authorizes the nonprofit to make an application for funds.

25. Fingerprinting Requirements of Staff. The County requires that all contractors, assignees, and volunteers of agencies doing business with the County and who during the course of performing services, may have contact with children, be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children.

26. Equal Benefits Compliance. This is required of any party entering into contract with the County, in which the County is to provide \$5,001 or more, must offer equal benefits to their employees. Domestic partners of employees are required to receive benefits equal to those received by spouses of employees.

27. Debarment. Housing & Community Developments Act of 1974, 24 CFR Part 5 provides that assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any Contractor or sub-recipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR part 24. This provision covers all Contractors and sub-recipients, as well as subcontractors of Contractor or sub-recipient, whose names are included in the "List of Parties Excluded from Federal Procurement and Non-procurement Programs." The debarment list can be found on-line at www.sam.gov

28. Special Needs Housing. For HUD reporting purposes, buildings used to provide supportive housing for special needs populations may be classified as either housing or public facility depending on factors including, but not limited to, clientele served, level of services provided, proposed funding sources and uses, and mostly important, tenure duration of residents and whether the stay is conditioned on receipt of services. If the program proposed for the building requires licensing it will automatically be classified as a public facility and does not qualify for HOME funding, and CDBG funds may be used to assist these licensed residential facilities.

29. Persons with Special Needs. For County purposes, this category shall also include, but not be limited to, mentally ill persons; emancipated youth; seniors aging in place (for service-related programs); frail seniors (for housing); persons recovering from substance abuse; and persons recently released from jail or prison. Under CDBG, this category includes: abused children; homeless veterans and veterans at risk of homelessness; survivors of domestic violence; seniors (62+); adults and families with children with serious disabilities; homeless persons; illiterate persons; and migrant farm workers.

Grantees and subrecipients providing services or supportive housing to **Persons with Special Needs** as defined above will verify the eligibility of beneficiaries of County, CDBG, HOME and ESG funding.

V. EVALUATION CRITERIA

Applications will be evaluated by County Staff and the public advisory body, the Housing and Community Development Committee (HCDC) on the following basis:

1. **Threshold Criteria.** In order to be considered for funding, the project must be received on time, be complete, and meet the requirement that the project be both eligible and qualify under CDBG and HOME regulations.
2. **Evaluation Criteria.** Once a project is determined to meet the threshold criteria, the proposed project is then evaluated against the additional criteria:
 - Funding Priority: Extent to which Project addresses one of the NOFA funding priorities listed in Section II of this NOFA.
 - Sponsor Capacity/ Capability: Ability of project sponsor to carry out proposed project/program in a timely manner.
 - Project Feasibility/ Readiness: Reasonableness of proposed time line for implementing and completing project in the near term.
 - Leveraging: Extent to which other funding sources have been sought and committed to Project or Program.

VI. APPLICATION SUBMISSION

1. **Application Preparation Workshops.** None are planned for this funding. Please contact City Data Services at citydataservices@yahoo.com (Steve Krause at 650. 533-5933) or DOH staff Rose Cade at rcade@smchousing.org or 650-802-3386 if you have questions.
2. **On-Line Submission at www.citydataservices.net/** There are two (2) distinct application forms depending on program type: (1) Housing Development; (2) Public Facilities. You fill out only the applicable form for your program type. Submit one application per program funding request.

A full application submission consists of a filled out application plus attaching all relevant documents, including a sources and uses, and project operating financial projections.

3. Submission Deadline.

Only on-line application submittals will be accepted. Applications are due **5 pm, Friday, January 27, 2017**. Late applications will not be accepted.

4. Information and Assistance. Staff and CDS are available to answer questions regarding the NOFA and preparation and submittal of the application. You may contact the following persons:

Question Areas	Name	Phone	E-Mail
Program-related	Rose Cade	(650) 802-3386	rcade@smchousing.org
Software-related	Steve Crouse	(650) 533-5933	citydataservices@yahoo.com

Exhibit 1

Sample Certification for No Single Audit Requirement Needed

(Please insert sample language onto your agency letterhead stationery)

Department of Housing
County of San Mateo
264 Harbor Blvd., Bldg. A
Belmont, CA 94002

Dear: _____:

This is to certify that as _____(title) for our agency, _____(name of agency), we did not expend more than \$750,000 of federal funds from all federal sources during the fiscal year ending _____. As such, our independent financial audit submitted with this application was not required to comply with the single audit requirements set forth in OMB A-122 or A-133.

Name (signature)

Print Name

Title

Date

Exhibit 2

**Attachment 15 (Housing Application)
CHDO Certification/Recertification
FY 2017-17**

HUD recommends that Community Housing Development Organizations (CHDOs) be certified annually, but at a minimum, a CHDO must re-qualify each time it receives HOME CHDO set-aside funding. If you are a CHDO under the County HOME Program and are applying for HOME funding in this application, please provide the following requested documentation with your application:

Date: _____
Organization Name: _____
Address: _____
State & Zip: _____
DUNS #: _____

Instructions for completing the CHDO Certification: Use the tab key to navigate from question to question. Where there are check boxes, click on the appropriate box to put an "x". Attach any indicated documentation not already provided with your application. Clearly label each attachment.

Submit this form along with all attachments. This information must be submitted with your application.

CHDO Certification History

If you have been certified as a CHDO in the past by the County, please indicate the date or most recent funding year: _____

A. Legal Status

1. Provide a copy of your articles of incorporation. Your organization must be organized under State of California law.

See attached. Already provided with application.

2. CHDOs must document that no part of its earnings inure to the benefit of any member, founder, contributor, or individual.

See articles of incorporation See other document (specify):

Specify exactly where in the indicated document this information is set forth:

3. Provide a copy of your IRS tax exemption ruling.

- See attached. Already provided with application.

4. Provide documentation that states that among your organization's purposes, the provision of decent housing that is affordable to low- and moderate- income people.

- See articles of incorporation See Mission Statement See Resolution
 See other documentation (specify):

Specify exactly where in indicated document this information is set forth:

B. Capacity

1. CHDOs must conform to the financial standards of 24 CFR 84.21 "Standards for Financial Management Systems."

- See statement by the president or chief financial officer of the organization.
 See certification from a Certified Public Accountant.

2. CHDOs must demonstrate capacity to carry out activities assisted with HOME funds through **paid experienced staff**. Please explain how your CHDO is meeting this requirement. _____

- See resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds.
 See attached agreement/contract with consultant with demonstrated housing experience similar to projects to be assisted with HOME funds. This agreement/contract indicates that consultant will train appropriate key staff to undertake proposed project.

3. CHDOs must have a history of serving the community within which is located proposed housing to be assisted with HOME funds.

- See attached statement signed by the president or other official of the organization which documents at least **one year** of experience in serving the community.
 For newly created organizations formed by local churches, service or

community organizations, see attached statement signed by the president or other official of the organization that documents that the parent organization has at least **one year** of experience in serving the community.

C. Organizational Structure

1. CHDOs must maintain at least **one-third** of its governing body's membership for residents of a low-income **neighborhood**, other low income community **residents**, or elected representatives of **low income neighborhood organizations**.

Indicate how low income membership is defined:

- Low income persons
- Low income neighborhoods
- Elected representative of low income neighborhood organization

Provide a recent Board resolution (not older than 12 months) certifying how you are meeting this requirement.

Also please provide a current Board roster indicating who and how the "low income" member qualifies).

2. HOME rules define a CHDO community in urban areas as one or several neighborhoods, a city, county or metropolitan area.

Indicate your CHDO community:

3. HOME requires a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects.

This process is defined in (indicate document and location within document; attach if not already included in this submission):

Also attach a recent Board resolution (not older than 12 months) indicating that you will implement this formal process for the CHDO project for which you are requesting funding assistance.

4. If your CHDO is sponsored/created by a State or local government, HOME rules say that the State/local government cannot appoint more than one-third of the board members; these State/local government-appointed board members cannot appoint the other 2/3 of the Board; and no more than 1/3 of the governing Bd. members can be public officials.

Not applicable

5. If your CHDO is sponsored/created by a for-profit entity, HOME rules say that the for-profit may not appoint more than one-third of the CHDO's governing body; and these governing body members cannot appoint the other 2/3 of the Board.

Not applicable

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found:

6.

D. Relationship with For-Profit Entities **Check here if this section is not applicable**

1. CHDOs cannot be controlled, nor receive directions from individuals or entities seeking profit from the organization.

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found:

2. CHDOs may be sponsored or created by a for-profit entity, however, the for-profit's primary purpose does not include the development or management of housing.

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found:

3. CHDOs are free to contract for goods and services from vendor(s) of its own choosing.

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found: