

**San Mateo County -- AHF 6.0 NOFA
Questions & Answers**

IMPORTANT NOTES:	
1	The NOFA and DOH webpage erroneously noted the application due date as Thursday, August 10th, 2017 at 4pm. The due date is FRIDAY, August 10th, 2018 at 4pm. Please disregard any further references to Thursday, August 10th.
2	At the end of Section II. Applicant Information, there is a question that asks, "Is this your first project in San Mateo County?" Please instead consider this question to be: " Would this be your first affordable Project financed by DOH in the past three years? " Please answer "YES" or "NO" appropriately to this question.
3	Please note that the deadline for emailing questions to DOH regarding AHF 6.0 (at housing@smchousing.org) is Friday, August 3, 2018 at 5pm.

General Introductory Info provided by DOH at AHF 6.0 NOFA Technical Assistance session July 26th, 2018.	
1	Questions regarding NOFA need to be emailed to DOH, per NOFA instructions. Please do not call with questions.
2	Applicants wishing to receive information updates directly should make sure they are on the NOFA follow-up email list-serve .
3	Be sure to finish and submit the CDS application before 4:00pm on the due date (8/10) so that it will be accepted.
4	<u>Cure period</u> : After the due date, DOH staff will review applications and let applicants know if there are any problems. Staff will allow applicants 5 business days to cure minor deficiencies.

NEW QUESTIONS EMAILED TO DOH BY AUGUST 3, 2018 DEADLINE			
Questions Regarding the NOFA	DOH Answers		
1	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; padding: 5px;">I do not yet have a full commitment letter from one of my funding sources. I might be able to get a letter of interest by the AHF 6 deadline, but not the full commitment. Will this disqualify my application?</td> <td style="width: 50%; padding: 5px;">No. Projects are not required to have all other funding sources committed at the time of application for AHF 6.0 funding. We use the commitment letters or letters of interest as part of our consideration of project readiness which is a significant portion of preference scoring, but the commitments are not a threshold requirement.</td> </tr> </table>	I do not yet have a full commitment letter from one of my funding sources. I might be able to get a letter of interest by the AHF 6 deadline, but not the full commitment. Will this disqualify my application?	No. Projects are not required to have all other funding sources committed at the time of application for AHF 6.0 funding. We use the commitment letters or letters of interest as part of our consideration of project readiness which is a significant portion of preference scoring, but the commitments are not a threshold requirement.
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Questions Regarding the CDS On-Line Application	DOH Answers
2	Some of the attachment's numeral labels do not correspond with the application sections. How should the uploads be named?
3	How should commitment letters required in Question A.2: Anticipated Funding Sources under <u>Section VI: Project Finance</u> be uploaded?
	<p>If the attachment label does not correspond with the application section, please upload the documents by the section numbers listed in the Document Upload Page.</p> <p>Commitment letters can be uploaded under Section VI.2a: Construction Sources and VI.2b: Permanent Sources of the Document Upload Page. When uploading, please name each attachment according to the section number, VI.2a (for construction sources) or VI.2b (for permanent sources), followed by the name of the category used in the application table. If you do not have a letter for a confirmed source of funding, you may upload a description of the expected timing and likelihood of the commitment in place of a letter.</p> <p>Examples:</p> <ul style="list-style-type: none"> - An AHSC award allocated as a construction source would be named "VI.2a_AHSC". - LIHTC Equity allocated as a permanent source could be listed as "VI.2b_LIHTC Equity".

4	Can you please describe where to find the Authority to Use Grant Funds form referenced in Section V.E of the application?	<p>The "Authority to Use Grant Funds" is a form that the Department of Housing receives directly from HUD once they have reviewed and approved a Request for Release of Funds (RROF) for a project. The RROF is submitted once DOH has had an opportunity to review the Environmental Review Report for a project and has completed a Part 58 Environmental Assessment. It also marks the completion of the Department of Housing's public noticing period for the Project since the RROF application cannot be submitted until the comment period has ended.</p> <p>A project that previously received Federal funding in the form of HOME & CDBG funds, or has been awarded Project Based Section 8 vouchers on behalf of the Housing Authority, would need to have a copy of the Authority to Use Grant Funds to demonstrate that the Environmental Review of the project has been completed and reviewed by the local authorizing agency.</p> <p>If your project has not previously received federal funding in the form of HOME, CDBG, or Project Based Section 8 vouchers, then you would not need to attach the document to your application. In its place you could submit a short confirmation letter stating that you do not currently have those federal funds as sources for the project but would comply with any and all Environmental Review reporting necessary for the project. We would still expect you to fully comply with any Environmental Review Reports, Part 58 Environmental Assessments, or any other regulatory environmental reports that would need to be completed in order for the project to move forward.</p>
5	I wish to submit my organization's or company's financial audit reports directly via email, rather than as an attachment to my CDS application. Is this possible?	If you need to do so, please send the attachment to Ray Hodges at rhodges@smchousing.org. Please send the document at least a day ahead of the August 10 deadline. We will seek to confirm receipt, so if you don't receive a response within a reasonable amount of time, please reach out to confirm with Ray.

QUESTIONS EMAILED TO DOH AS OF JULY 31, 2018	
Questions Regarding the NOFA	DOH Answers
1 Does DOH consider an Exclusive Negotiations Agreement to be evidence of site control?	Yes. An enforceable Exclusive Negotiating Agreement is an acceptable form of Site Control for purposes of the AHF 6.0 NOFA. In such situations, it would be good to also describe the process, timeline, and expectations for reaching execution of a DDA (or other appropriate document) in the application. Depending on the terms of the ENA and project status, DOH may condition the release of AHF funding upon a Project reaching additional milestones.
2 The NOFA states "Applications due by 4:00PM <u>Thursday</u> , August 10, <u>2017</u> ." Please confirm if this should state due by 4:00pm <u>Friday</u> , August 10, <u>2018</u> ."	Thank you for pointing this out. The due date is <u>Friday</u> , August 10, 2018, by 4pm. We will note this on the webpage as well.
3 Section VIII – A (1b): "Regardless of the loan amount awarded to a project, the maximum number of units in a project that can be restricted by DOH funding, including AHF funds, is 49% of the units." Can you please elaborate on this?	If the determination of the number of AHF-Restricted units (as described in the definition of AHF-Restricted Unit in Section IV of the NOFA) amounts to more than 49% of units in a Project, DOH would limit the number of restricted units to 49% of units in the Project, regardless of whether the loan amount or number of Homeless and ELI Units would otherwise result in more AHF-Restricted Units. This 49% limit on the number of restricted units is included to comply with Article 34, not to cap the amount of funding available to a Project.

4	Section X – B (4): Loan servicing/monitoring fee. Should the \$5,000 cap be used even if the \$250/unit fee is well above that number?	Note that the DOH servicing/monitoring fee is calculated as \$250 multiplied by the number of AHF-Restricted Units, rather than \$250 x the total number of the units in a Project. However, if that calculation amounts to more than \$5,000, the fee is capped at \$5,000 per year.
5	Page 42 of the NOFA indicates that prevailing wages do not need to be assumed if receiving County Funds only. Is this accurate?	As the Exhibit shows, Davis-Bacon wage requirements apply to federal HOME and CDBG funds, but not to County funds. However, CA prevailing wage requirements likely apply to all AHF funding. Here is the language from our standard contract which we will add to the NOFA guidelines in the future: "State prevailing wage requirements apply to all projects with AHF funding, unless Borrower demonstrates that the project, which is the subject of this Agreement, is otherwise exempt."
6	What is meant by a "stand-alone" Multifamily New Construction Affordable Homeownership Project? Would all of these housing types be an eligible homeownership housing project: Condominium, townhome, Single family detached unit?	All of these design typologies could work within this Project type. The "stand-alone" description is meant to note that DOH will not fund homeownership units that are part of a larger market rate development project. A related question was brought up at the 7-26-2018 Technical Assistance session. In response to that question, DOH is clarifying that a Multifamily New Construction Affordable First-Time Homeownership Project may be a component of a larger deed-restricted affordable rental Project.
7	Is there a minimum number of units required for a Multifamily New Construction Affordable First-Time Homeownership Project?	For purposes of this AHF 6.0 NOFA, we did not set a minimum unit count for Multifamily New Construction Affordable First-Time Homeownership Projects, but DOH projects that a Project of less than 10 units might have a hard time competing for funding. Note that applications made under this Project Type will be held to the same leverage and financing standards as Multifamily New Construction Rental Projects.

Questions Regarding the CDS On-Line Application		DOH Answers
8	My Project has rents set at 30%, 40%, and 50% AMI. The entry table in IV.B Unit Information would force me to lump the 40% AMI units in with the 50% AMI units, and this would result in not being to enter their specific rent levels separately. How should we address this?	As the table indicates, we wish to know how many units between 36%-50% are planned for the project and at what rents/unit sizes. Please lump the 40% AMI units in with the 50% AMI units. We would expect that rents indicated in the AMI bands are averages of rents set at each AMI that falls within the band. Note that this table is not used to calculate Project income, so will not affect our consideration of your projected total Project income assumptions. While you may explain the rents for various income bands in the narrative, we will also be able to examine the income bands and rents in greater detail when examining your Project proforma attachment.
9	At the end of Section II. Applicant Information, there is a question that asks, "Is this your first project in San Mateo County?" If I select yes, a requirement to upload developer experience and references populates. However, since I selected no, nothing else populated and I moved on to the rest of the application. However, at the bottom of the application, the list of attachments still includes the developer experience and reference. Are these then actually required, and if not, would you like an explanation of why it is not required in the text box that should be used to explain when attachments will be available?	This question was meant to inquire <u>whether this would be the Applicant's first affordable Project financed by DOH in the past three years</u> . If not, please check "NO." In this case, the additional attachments you note are not required. If this Project would be the Applicant's only affordable project financed by DOH in the last 3 years, please check "YES," and include the attachments as the application directs. Please also note that the list of attachments at the end of the application is a comprehensive list of all possible attachments, some of which are not required. Depending on an Applicant's response, additional questions/ upload attachments may populate. If no additional questions populate based on the selected response, please just continue to move through the application. There is no need to explain why certain attachments are not included in the application if the request for the attachment did not populate in the application.

10	Our project's appraisal's effective value date is August 10, 2017, exactly 12 months prior to the application's due date. Please confirm if this will be acceptable.	This is acceptable.
11	In the Application, Section VII., regarding Non-Discrimination and Reasonable Accommodations policies, are these for the Developer's employees or on the leasing/tenant side?	We expect that the policies would apply to the developer and its employees, as well as its relations with clients.

QUESTIONS AND ISSUES FROM TECHNICAL ASSISTANCE SESSION JULY 26, 2018

Questions Regarding the NOFA		DOH Answers
1	What is the 15% requirement referenced in the AHF 6.0 NOFA (Section VI)?	The 15% requirement is the sum of the 5% Homeless requirement and the 10% ELI requirement. Note that projects which have a proportion of units greater than the 15% required in this AHF 6.0 NOFA that are targeted to households with incomes at or below 35% of AMI; residents who are homeless or at imminent risk of homelessness; frail elderly leaving nursing or long-term care facilities or needing specialized services in order to remain in an independent living situation; MHSA-eligible households; FFY households; or other clients of County service agencies, may receive up to 10 preference points in this criterion.
2	How is the criterion in Section VI "Project is in easy walking distance of services, amenities, and transit" scored?	This criterion is scored in the following manner: 0-5 points: Project's Walk Score, averaged with Transit and Bike Score, if available. 0-10 points: walking distance to other project-appropriate amenities, including transit stops.
3	If only 49% of the units can be restricted by DOH funding, does this mean that there is a per-unit cap for funding (VIII. (A))?	DOH will base its funding awards on all units in a Project that are targeted to households at/below 80% AMI. However, due to Article 34, a maximum of only 49% of the units may be formally restricted as AHF-Restricted Units by our regulatory agreement. Please note that the per-unit DOH subsidy will be considered in preference scoring and that the Department gives great importance to an Applicant's ability to leverage County funding and control the amount of DOH subsidy needed. Over the last five years, DOH's subsidy has averaged between \$60,000 and \$70,000/unit, though this average includes a high amount of project-to-project variation based upon Project specifics.
4	Should we show the tenant-based rental assistance income "overhang" which will be reserved for services and rent loss, as Project income in the application (Section IX. (E) (2))?	DOH does not expect the tenant-based rental assistance income "overhang" would be shown as income in an AHF 6.0 application unless your commercial lender allows you to underwrite this income, in which case we would not consider it "overhang" and would not require the reserve tracking. Assuming the overhang income is not underwritten, the Project's annual financial audit should detail the beginning and end-of-year totals for the reserve and should how any withdrawals were used (Section IX. (E) (2)).
5	Are single-family homes eligible for CDBG rehab funding under this NOFA?	Only multifamily projects undergoing LIHTC resyndication are eligible for CDBG funding under AHF 6.0. However, homeowner rehab is an eligible use of CDBG funds generally, and this would likely be an eligible use in our December federal funds NOFA which includes the bulk of our annual HOME, CDBG and ESG funding allocations.

Questions Regarding the CDS On-Line Application		DOH Answers
6	How should a Multifamily First-Time Homeownership Project application treat the Unit Information table in Section IV.(B)?	For Multifamily First-Time Homeownership Project applications, please fill-in the number of units by unit size and AMI band, but leave the 'rents' columns blank.

7	Should income from Rental Assistance be included in the Unit Information table of the application at IV.(B)?	No, please do not consider rental assistance in this table. The primary use of the table for DOH is to see how many units the proposal includes in certain AMI "buckets." The rents entered should only represent what tenants will pay. The rent entered in any box may be an average if the DOH predetermined income buckets include more than one income band in your underwriting. Note that the income total this table would in theory produce is not used anywhere in the application or in our scoring considerations. We will rely upon your proforma for that information. DOH recommends briefly describing your rental assistance assumptions in the narrative below the table.
8	How should I submit a Project that includes both rental and homeownership units, and how would it be scored?	Should a Project contain both rental and homeownership units, please complete two separate applications for each component. Each component will be scored and awarded separately. For homeownership applications, the Unit Information table in Section IV. (B) should be completed as follows: please fill-in the number of units by unit size and AMI band, please leave the 'rents' columns blank.
9	Will CDS allow you to submit an application without supplying all of the necessary information?	Yes. Please make sure you have answered all of the questions in the application before submitting.
10	Can multiple people work on the application at one time?	No. Only one person may access and edit an application at a time.
11	The numbering system for the attachments has changed since the last AHF round. Should we follow the numbering system in the new checklist for numbering our attachments?	Yes, please number your attachments according to the numbers used in the attachments list. For example, DOH recommends naming your Phase 1 Environmental Site Assessment attachment something like, "V.E.3.Phase I."
12	Is there a way to print out a draft version of our application for review?	Yes. To print a draft copy of the application, navigate to the main page where the project name is listed and click on "Draft." When the program page opens, click on "View or Print" under Draft Reports.
13	How do you submit the application?	At the very bottom of the application there is a place to enter your electronic signature and submit.