

City of Oakland, Housing & Community Development Notice of Funding Availability New Construction 2024 - NOFA Pre-Application Meeting and Office Hours Questions & Answers, Response #2 (10/18/24)

Q1: If the project has already received entitlements, can a new Zoning Worksheet request be submitted to request for a ministerial review in this NOFA round?

A1: If an applicant desires to re-entitle their project they are free to do so. It is not recommended by Oakland HCD staff as an avenue to gain points in the NOFA as it is not likely a new planning approval could be completed prior to the NOFA deadline of November 4.

Q2: Do VASH units qualify for as households with Special Needs within the Special Needs category?

A2: Yes, VASH units do qualify as Special Needs Households within the NOFA's Special Needs category.

Q3: Can private land donations be included to achieve the full 3 points?

A3: Private land donations do not qualify in this NOFA round for scoring points under the Land Donation category.

Q4: Can a project utilize the previously awarded funds issued by the City of Oakland, if the commitment has expired?

A4: Unless the applicant has received an extension on the prior commitment in writing from Oakland HCD, the developer will need to submit a new NOFA application for the total funding you are seeking from the city.

Q5: Do we need to submit an approved NEPA review at the time of our application submittal?

A5: The NEPA is not required to be submitted with the application. The NEPA review process will only be triggered if federal funds are awarded to the project. If the project receives a funding award that requires a NEPA review, the first step for the applicant will be to submit an application to the City of Oakland Planning Department for NEPA review. The applicant will need to retain an environmental consultant to complete the NEPA approval process.

Q6: Do we need to show positive cash flow for 30 years or is it sufficient to show positive cash flow for 20 years?

A6: The operating budget must show positive cash flow inclusive of all fees within 18 months of initial rent-up and first year Debt Service Coverage ratio shall not be less than 1.10:1. Ideally, the budget should show sufficient cash flow to make a modest payment to residual receipt loans. 20-year positive cash flow is sufficient.

Q7: CHDO: Sec. III.A. of the NOFA Addenda states that in a joint venture "a majority interest and control must be held initially by the development entity meeting the City requirements for experience as described in Sections I & II". If a CHDO is the emerging developer member of the joint venture, rather than the experienced member with a majority interest, will that development team have access to HOME funds as a CHDO?

A7: No. HUD requires the City to prioritize awards of not less than 15 percent of HOME funding for a period of 24 months after funds are initially made available to the City investment only in housing to be **developed, sponsored, or owned** by community housing development organizations pursuant to Section 231 (42 U.S.C. 12771) of Title II of the National Affordable Housing Act of 1990, as amended. At this time, we do not have a set-aside of any given year's HOME funds for CHDO organizations; however, we work to ascertain that this requirement is met over time.

Q8: Design Guidelines: The Livability Standards section of the Design Guidelines describes one of the examples of acceptable storage space to include "storage space (both inside and outside of the unit)". Does this mandate tenant storage space outside the unit, or can sufficient in-unit storage space meet this requirement too?

A8: As noted in the NOFA, applicants should provide adequate storage space for residents and the building, based on the type of project, location, and target group. This is intended to encourage applicants to think carefully about the storage needs of residents and building staff, and not necessarily prescriptive about exactly what spaces entail, since these may vary based on project type and target population.

Q9: The Decarbonization and Carbon Neutrality section states the "new affordable housing projects *should* include the following decarbonization measures...". Are the items in the list that follows mandated or encouraged?

A9: The items that follow in the Decarbonization and Carbon Neutrality section shall be encouraged to be included in new affordable housing projects to support the City's climate equity and resilience goals.

Note that all-electric projects avoid the requirement to create a GHG reduction plan under our ECAP Checklist for multifamily projects (which is an expensive and time-consuming effort).

Q10: Specifically, among the items in the list, if electrical outlets and space for storage are provided in the secure bike room that are also available to scooters, will this fulfill both items calling for dedicated charging space for tenant-owned electric bikes and electric scooters, and for dedicated secure parking for tenant-owned bicycles and scooters?

A10: Yes, standard 110/120-volt electrical receptacles are sufficient for charging e-bikes and e-scooters. However, note that only installing the minimum number of receptacles per square feet per code *might not suffice* for the e-bike/e-scooter charging needs, depending on how many parking spaces you have for those e-bikes and e-scooters.

Q11: Attachment 35 – Resumes and Experience of Other Members of the Development Team: The submission requirements listed on p. 34 of the Application Form and Instructions document request that each development team member provide information on 3 previous projects and resumes of assigned project staff. Not all team members will have this type of information (for example, a service provider or attorney may not have information on completion date and funding sources of projects they've worked on). On pages 5-7 of the Addenda, information that is more specific to each type of team member is requested, which doesn't align to the general request in the Application Form. Can we follow the Addenda requirements for each team member instead of the Application Form?

A11: The Resumes and Experience of Other Members of the Development Team section in the NOFA Application is a short synopsis of that category. Noted in that same section; it references the Addenda, Minimum Developer Qualifications for specific requirements. Please follow the Addenda for the requirements related to each team member.

Q12: One of the PDFs said to submit hard copies of audited statements. Should we mail hard copies to the City or just provide electronic copies of audits?

A12: Applicants should upload the audited financial statements directly into CDS to be included in their application submittal. Hard copies will not be required.

Q13: For the 4% or 9% TCAC application workbook submitted as back up on the tiebreaker, please confirm we only need to fill in the relevant components to allow the tiebreaker to populate but not the entire workbook. Can we consolidate costs in the Sources and Uses tab such that the total is accurate, but we don't have to fill in each individual cost?

A13: Yes, you can consolidate costs where needed. Applicants should provide relevant sources and uses by submitting accurate application information and certifying the completeness of all materials submitted in their application. The workbook should be populated to the extent that City HCD staff can use the information provided to independently recalculate the tiebreaker in order to verify the score.

Q14: Can you confirm if experience outlined in the definition of Emerging Developer only applies to developer experience in state of California? Would a developer that's had experience outside state of California count towards project experience?

A14: The Emerging Developer definition is aligned with State MHP Guidelines dated May 2023 and developer experience outside of the State of California will count towards the developer experience category for the Emerging Developer. Project applicants should be aware that threshold developer experience as specifically noted in the certifications will apply to all developer types.

Please note: The City reserves the right to review such documentation and determine if the experience qualifies as an Emerging Developer to score points in this NOFA round.

Q15: For PSH units that are for Transition Aged Youth (TAY), if the TAY unit transitions out what happens to that unit? Do we need to replace the unit with the same set-aside population, or can the TAY unit be rented as market rate or another PSH population?

A15: The developer enters into a Regulatory Agreement restricting the occupancy, AMI rent levels, operation, ownership, and management of units for 55 years. If the TAY unit transitions out, the developer would need to market the unit and replace the unit with the same set-aside population.

Q16: Should the City loan's accrued deferred interest (typically shown in the Sources tables in consultant proformas) be included in the Total Development Cost calculation?

A16: Yes, interest accrued on the City's loan during the construction period may be treated as a development source.

Q17: Do we need to commission an appraisal to document the market value of the land if the City is providing the project site for \$1/year ground lease?

A17: The developer should contact Economic and Workforce Development (EWD) staff to determine the original appraisal date that was commissioned by EWD to support the land valuation to be considered as ground rent in the ground lease; since the appraisal was conducted by EWD, you would need to work through them to confirm if it's necessary to have the appraiser update the valuation.

Q18: Would loan terms for HOME/CDBG funds be the same as the rest of the Oakland funds?

A18: Yes, loan terms for HOME and/or CDBG funds are the same as any other City of Oakland funding source.

Q19: We submitted an appraisal (dated March 23, 2023) with a previous NOFA application. Current Application guidelines state that assessments should be dated within the six months. Despite being completed relatively recently, paying for another appraisal would constitute a financial burden for the project at this early stage. We request that projects that have submitted recent NOFA applications be allowed to re-submit appraisals completed outside of the six-month window.

A19: If the appraisal is beyond the 6-month threshold that is noted in the Program Guidelines, the City reserves the right to review each appraisal on a case-by-case basis to determine the applicable course of action and may require an appraisal update from the applicant.

Q20. Utility Allowances: If we have a commitment of VASH or Project Based Section 8 vouchers, do we still have to complete the HUSM model? Since the HOME funds pool is small and it is uncertain which project will be awarded HOME funds, can applicants submit assuming the use of the OHA Utility Allowance schedule (or another methodology as described in the NOFA), then update with the HUD Utility Allowance Calculator if HOME funds are awarded?

A20: If the project is not opting-in for consideration of an award of HOME funds or has a commitment of VASH or Project Based Section 8 vouchers, then you may use OHA's Utility Allowance. Projects opting to be eligible for award of HOME funding must calculate the utility allowances using the HUD Utility Schedule Model in their applications for any units without an existing voucher commitment.