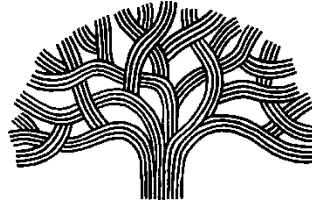


## Round 3 Request for Proposals (RFP) 2022 Q&A Responses



City of Oakland, Department of Housing & Community Development

*Posted November 2<sup>nd</sup>, 2022*  
*Revised November 14<sup>th</sup>, 2022*

1. Q. Was the Q&A session recorded and where will the recording be available to view/listen?
  - A. Yes, the recording is available to view and listen on the City HCD Homekey website: <https://www.oaklandca.gov/topics/city-homekey>.
2. Q. Can a developer partner with the City on a project that is not located in Oakland?
  - A. To participate in this RFP your project proposal site must be in the City of Oakland. Other cities may be running their own project selection process and we encourage developers with projects in other cities to contact their local Housing or Planning Department.
3. Q. If we are developing a new MHP would this be something that funds can be used for?
  - A. We have seen projects pursue different competitive financing structures in parallel to maximize the chance of getting funded. The City is not opposed to this approach, but relies on developer sponsors to demonstrate that their budget works under the proposed financing scenario(s), under Homekey, MHP, or other State programs.
4. Q. When is the Expression of Interest forms for sellers/sponsor list updated?
  - A. The Expression of Interest forms are updated on a weekly basis. We suggest submitting your form as soon as possible to maximize available time for potential teambuilding.
5. Q. Will there be any mechanism for streamlining the permitting process for approved projects to make sure that they can meet the RFP timelines?
  - A. Yes, we encourage applicants to use the CEQA streamlining tool provided by the State's Homekey NOFA. For projects pursuing the Clara/Edes site, please estimate 4 months to secure required permits.
6. Q. How will Homekey look at funding for purchasing a residential building that has commercial income? Will the commercial income be given credit for the valuation?
  - A. The City has asked the State this question and we will update the Q&A document with the answer as soon we hear back.

7. Q. Can a project apply for Homekey now and New Construction NOFA in 2023?
  - A. Yes, you can apply for both, but the applications need to be independently feasible in each application.
  
8. Q. Could a new construction project apply for only capitalized operating subsidy? If so, do the timeline requirements apply?
  - A. Yes, if the project works without City capital and an applicant is seeking local match or wanting to co-apply these are additional options with this RFP. We are still using the same timeline guidance that the State issued in the Homekey 2.0 NOFA in 2021-2022.
  
9. Q. Is it necessary to have SBE/LBE certificate?
  - A. The City has waived City Requirements for Local and Small Local Business Enterprise Program/Local Enterprise Program, and the Oakland Apprenticeship Program due to the strict timelines imposed by State HCD. The City still strongly encourages the participation of Oakland businesses and workers on projects.
  
10. Q. HCD has been considering allowing longer timeframes in their NOFA 3.0 for new construction projects. Will the City allow longer timelines if HCD does?
  - A. The City is following State HCD's timeline guidance that is directly imposed by the State. The City will extend its timeline if HCD allows a longer timeline in their upcoming NOFA 3.0, but responses to this RFP must be feasible in the existing 12-month timeline.
  
11. Q. Do all units have to be 30% AMI or can a project be half Homekey?
  - A. All of the units must be 30% AMI to be Homekey units. There is a clause in the State Homekey NOFA that allows non-Homekey units in the project, but the majority of project units must be Homekey units. Based on the City's experience in the last Homekey round, the State will seek evidence that the Homekey units are not cross-subsidizing the non-Homekey units.
  
12. Q. NEPA Choice Limiting Actions – If you already own the site, is there anything you need to be aware of not to do while your application is pending?
  - A. Yes, while your application is pending, the applicant acknowledges that any choice limiting actions or actions (purchase/start construction) that have environmental consequences will not be undertaken during the period between application submittal and the completion of the City's environmental review process.
  
13. Q. Are any Project Based Section 8 Vouchers (PBVs) available for selected Homekey sites?
  - A. Applicants should not rely on any Project Based Section 8 Vouchers available for selected Home key sites. The Oakland Housing Authority may rely on this RFP to award PBVs or other operating subsidy in the future, but the City's RFP does not include OHA resources.
  
14. Has the City of Oakland partnered on Homekey projects that purchased affordability covenants?

- A. The City of Oakland did not receive proposals in the last two rounds of Homekey for projects that are purchasing affordability covenants. However, affordability covenants are an eligible use under Homekey, and we encourage proposals from sponsors that have vetted the past State NOFA regulations on this structure.
15. Q. If two (2) years of audited financials or even (two) 2 years of operating history are not available, can personal experience count towards experience, or does it have to be organizational?
- A. All teams are required to meet the minimum qualifications and documentation as outlined in the RFP. The City underwrites the organization as a whole and not the individual people. If you have additional concerns/comments, please do reach out to staff.
16. Q. Must the nonprofit/partner own a particular percentage of the property to qualify for the grant?
- A. The City's RFP does not dictate nonprofit participation or ownership level, but we recognize that many teams will likely partner with nonprofit partners for development, service provision, and/or property management. Please note that the State requires that Homekey funds be issued as a grant, and suggests that teams vet the appropriate structure that would meet their specific tax needs.
17. Q. What is the total amount of capital match available in this RFP? Does it include land value?
- A. The total amount of capital match is \$21,608,441. This number does not include land value of the City-owned site.
18. Q. How many projects does the City expect to fund through this RFP?
- A. This will depend on what proposals are submitted and how much operating and capital subsidy will be requested from all projects. We will fund the top scoring projects until funds are exhausted.
19. Q. If we want to convert an existing building to a Homekey project, does it need to meet the Homekey ADA standards if it is an older, "legally non-conforming" building?
- A. Yes. All Homekey projects must comply with the Homekey project requirements for accessibility, which feature higher standards than ADA. There are no exceptions for older buildings.
20. Q. If we have a 15-year lease with an option to purchase, would Homekey cover the lease payments?
- A. Please email City staff with more details on your specific project proposal to explore this scenario. We ask that sponsors research past Homekey regulations to better inform this structure.
21. Q. How does Coordinated Entry System (CES) intersect with foster care youth?
- A. Please see #46 for answer.
22. Q. If a resident earns more than 30% AMI after entering a Homekey unit, what happens?

- A. For permanent housing units, if a qualified tenant's income increases after move-in beyond the applicable income limit for the unit, the tenant may remain in the unit indefinitely as a qualified over-income household, so long as other lease requirements are met. For units or tenants without an operating subsidy, rents for qualified over-income households may not exceed the applicable rent limit for the unit. For units or tenants subject to an operating subsidy, the rent shall be determined according to the rules of the subsidy program. Under no circumstances shall a qualified tenant be required to move due to an increase in income.
23. Q. What are the ADA requirements of Homekey?
- A. Per the Round 2 State Homekey NOFA: All developments shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act, Title II. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR part 8.26.
24. Q. What is the maximum allowable cash flow?
- A. We do not have limits, but if you are asking for subsidy, we would size ours based on the RFP calculator. In addition, Homekey will right size their subsidy to operational need, if you are seeking Homekey operating subsidy.
25. Q. The Asset Management and Partnership Management fee is reduced to \$12,500 per annum. Is this an error? If not, why has it been reduced?
- A. The Asset Management and Partnership Management fee was not defined in past Homekey solicitations. The current RFP's fee limits have been explicitly included to align with Oakland HCD underwriting guidelines.
26. Q. Is there going to be the same provision of allowing a much later acquisition date?
- A. We can only base our assumptions on Round 2, but we will not know until the Round 3 NOFA is released.
27. Q. Did any adult residential facilities (board and care homes) receive awards in the previous homekey round?
- A. The City of Oakland did not receive any applications for this type of facility. A list of Homekey awards (Round 2) is available here:  
<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/homekey/Awardee-Funding-List-for-Web-Posting-HK-B16.pdf>
28. Q. When the City of Oakland applies to the State, is it competitive or is it an allocation that is already determined? So, the question is if we are successful with this grant, is this a done deal?

- A. After proposals are selected through the City's RFP process, the City will co-apply with teams to State Homekey when the State releases its NOFA (now expected in Q2 2023). We will be competing with other teams for the Bay Area geographic allocation of Homekey funding, as well as State-wide if the geographic allocation is exhausted.
29. Q. The NOFA states not to include OHA PBVs in the financial model, however, may we include MTW funds for operating support, thereby lowering our City ask?
- A. No, teams should not include *any* OHA funding sources. OHA may rely on this RFP to evaluate potential funding availability later, but please do not assume your project will have access to OHA funding.
30. Q. Would an SRO be considered a permanent housing property?
- A. Yes, an SRO could be considered a permanent housing property, so long as a 55-year affordability agreement with the City is in place.
31. Q. Our organization is currently working on 2020/21 and 2021/22 financial audits. If we have experienced delays due to covid and other unforeseen reasons, will the application be deemed as ineligible? Or will the City accept the 2018/19 and 2019/20 and interim financials, with an explanation for the extraordinary circumstance?
- A. Audited financial statements are required for all developer/owner organizations from the past two years. If these are consolidated financial statements, they must also include the standalone financial statements for the parent organization(s). If a particular circumstance about an organization's financial position or capacity require explanation, like the one described above, please include a narrative summary in addition to the financial statements to support the financials submitted.
32. Q. What is the method for allocating awards? Is there a maximum per unit (or per bedroom)? We are looking at a facility that has multiple bedrooms that share kitchens, and some bathrooms.
- A. Awards will be allocated to top scoring projects that meet RFP requirements, until funding is depleted. The City will align with the State's definition of awards per "door." Please refer to Section 205 of the [State Homekey NOFA](#) for this definition.
33. Q. Can an affordability covenant or master lease be funded for Homekey? I know the Homekey RFP and City RFP mention purchasing affordability covenants. Do the same Homekey capital eligibility apply for a master lease or affordability covenant?
- A. Yes, master leasing and affordability covenants are eligible uses under Homekey. You can see this information located on Page 4 of the RFP: <https://s3.us-west-2.amazonaws.com/cao-94612/general-images/2022-Request-for-Homekey-Proposals-V2-2.pdf>. The term of the regulatory agreement for affordability covenants and restrictions for existing residential units, interim or semi-permanent housing, or for master leasing projects must be 15 years.
34. Q. The RFP says you "may" provide subsidies for 3 years. Can you briefly tell me what triggers subsidies being paid or not paid. It's only for 3 years?

- A. The RFP references the [State Homekey](#) program approach for providing up to 3 years of subsidy. The State's requirements are established in the [State Homekey NOFA](#), which requires a local match; projects can request that local match through this City Homekey RFP.
35. Q. Should we self-score the Racial Equity stats?
- A. You are encouraged to complete the full self-score and support the self-score with your narrative responses in the Narrative Questions tab of Exhibit C - City Workbook.
36. Q. When do we execute Exhibit D?
- A. This is a required upload to apply to the RFP. You must execute and submit this form when you submit your proposal.
37. Was the Coordinated Entry System (CES) list "restarted" in the past year, i.e. do people who signed up in 2021 need to sign up again?
- A. Significant changes were made to the CE system that were rolled out starting June 9<sup>th</sup>, 2021. Anyone who was connected to Coordinated Entry before then would need to re-engage with a Housing Resource Center. Additionally, assessments need to be updated every 6 months and applicants should stay in touch with a provider as much as possible to keep their Coordinated Entry status updated/active. If they have no contact with the system for 6 months they will be auto-removed from the Housing Queue if they were on the queue previously.
38. Is CES first come first serve? Or can a certain group of people (e.g. Wood St. residents) who are on the list organize for a cogoverned community through Homekey?
- A. CES is not first come first serve. There are coordinated entry prioritization policies that dictate who gets matched with housing units. There are crisis assessments that are used to create the crisis queue, the crisis queue is used to match to interim housing resources (ES, TH) and housing needs assessments are used to create the housing queue. The assessments account for health factors, housing barriers, duration of homelessness, family composition and safety factors. The queues focus on people with the highest needs, vulnerabilities and housing barriers first. We cannot prioritize people from specific encampments although we are able to apply certain eligibility criteria if dictated in regulatory agreements (i.e. chronic homelessness). [Coordinated Entry Policies](#) are linked here.
39. Q. Can we prepare the amenity site map by noting the amenities on the floor plans?
- A. An amenity site map is not required for this City Homekey RFP application, although it would be helpful to include in any description of youth-focused amenities requested for proposals with a TAY component Please provide information requested about proximity to amenities in Exhibit C - City Workbook.
40. Q. Who should apply as the applicant? Would that be a newly LLC established for the project or the owners (entity) of the new LLC?
- A. The organization with the appropriate qualifications as described in the RFP should apply to the RFP, with a note that the LLC would be the ultimate

ownership entity. A newly established LLC would not likely meet the sponsor qualifications.

41. Q. Is there a minimum size or a size preference for the units?

A. There are no pre-set unit size requirements identified. We encourage developers to propose unit sizes appropriate to their intended populations, and to ensure that the dignity of residents is respected through design choices wherever possible. The Round 2 State Homekey NOFA states that Assisted Units and other units of the Project must meet all applicable state and local requirements pertaining to rental housing, manufactured housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the project in a safe and sanitary condition. The City is inquiring with the State on whether there are requirements for minimum unit size.

42. Q. What specifically will the City require in a letter of interest?

A. The City does not have a specific template for the letter of interest, but it should state the intended terms of purchase, statement of intended use of the property (including affordability levels, affordability term, and any special populations to be served) including acquisition price, acquisition schedule, required deposits, and contingencies.

43. Q. If the property has not yet been purchased by the time the proposal is due, is there something short of property ownership that will or can suffice to satisfy the requirements?

A. Proposals are scored on the identification of the site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence through sources such as: a letter of intent, an exclusive negotiating agreement, ground lease, option agreement/ Sales contract, fee title/ leasehold. Each document is scored differently as noted in the self-score tab of the City workbook. There is no expectation that the property will be purchased by the time the proposal is due.

44. Q. If a developer has a shelter for battered women does that address need to still be posted on the application?

A. The City is currently still awaiting this answer from Legal and the State.

45. Q. Will permit fees, utility connection fees and school fees be waived by the city?

A. There are no fee waivers for Homekey projects, although senior-only projects may be able to request a waiver of school fees.

46. Q. Will the City self-permit for all buildings, on-site and off-site permits to expedite the permit process?

A. No, the sponsor team selected through this RFP is expected to submit for permits for their proposed project. Applicants should expect the permitting process to approximately take about 4 months. City staff will facilitate tracking and expediting as much as possible.

47. Q. How does coordinated entry intersect with foster care youth? If a project wants to target foster youth will they still have to come in through Coordinated Entry?

- A. Homekey does allow for alternatives for Coordinated Entry for hard-to-reach targeted populations. The alternative plan would have to be submitted in the project's CES Plan or Alternative, to be approved by HCD. Our colleagues at CES have said that if the project is specifically to serve people aging out of foster care or to operate as a Transitional Aged Youth (TAY)/THP+ program then Coordinated Entry is not the best method of sole referral, however they would love to partner to help identify if there are young people in coordinated entry that we can connect to the resource. If the provider is interested in serving transitional aged youth, including people who have histories in the foster care system then CES can certainly do that. CES is open to speaking more to be collaborative about this population. In the past, youth have accessed the coordinated entry system for homelessness services the same way all other adults over age 18 accessed the system. In 21-22, CES expanded to include a youth-specific CES Access Point. This access point is operated by Covenant House, a well-known provider of youth services in the community. Covenant House has increased advertisement of the new CES assessment and matching services through their Day Outreach/Access Center, and through local youth provider networks. Covenant House also collaborates with other CES access points to serve youth who come through the system.
48. Q. Can the Developer be the same entity as the Property Management company? Or do we need three distinct entities, the Developer, Property Manager, and Service Provider?
- A. The three entities can be the same organization, but teams must demonstrate that the organization meets the experience requirements for each role.
49. Q. How will Homekey look at funding for purchasing a residential building that has commercial income? Will the commercial income be given credit for the valuation?
- A. The State has said that this will have to be asked of the State in Round 3, since requirements may change. Per the State, commercial income can be used to support operations of the overall supportive housing project. However, the State has not been warm to the idea of Homekey funds going to commercial space unless the commercial space plans to be converted and utilized by the Housing Project. The State has had to restructure fundings sources for a project that a portion of Homekey funds would not go towards the acquisition for the commercial space, and only the City Funds could be used for that. Generally, the City would expect that commercial income should be included in the appraisal and overall project cash flow, unless the proposed project would change the commercial into something else.
50. Q. How do I acquire and find out if CEQA and NEPA requirements are needed for application submission?
- A. Although not required for this application, all proposals must commit to complying with the Preparation of CEQA Determination and Preparation of NEPA Determination by the time of the Homekey application. Your project will not be required to seek NEPA clearance unless it is awarded federal funds. However, if teams wish for their projects to be eligible for federal funding, including HOME-ARP funds and any potential subsidy from OHA, your team should avoid engaging in choice-limiting actions from the time your RFP response is submitted



to the City and when the proposed project either receives NEPA clearance or you are notified that you will not be receiving federal funding.

51. Q. Do we need a prevailing wage certificate?

A. This is not needed to apply to the RFP submittal – however, Homekey projects will be required to comply with state and/or federal prevailing wages for their projects if awarded funding. Please refer to the State’s Homekey requirements for additional details, noting that the State will require additional certification of prevailing wage compliance prior to the disbursement of any Homekey funds. Per the State’s Homekey website, applicants are urged to seek professional legal advice about the law’s requirements.

52. Q. What is the best way for an existing non-profit service provider to demonstrate competitiveness for Homekey funding for a new residential semi-permanent housing program that we would like to do inhouse property management for? We have not been property managers before. Therefore, would it be best to partner with an experienced property management company/nonprofit?

A. Yes, you would need to partner with an experienced property management company to fulfill the qualification requirements listed in the RFP.

53. Q. Does the City expect that Homekey will cover the full amount of the project? Or do they think we will need supplemental funding such as a philanthropic ask?

A. We expect that you will fill out Exhibit B, the State Homekey workbook to determine which additional sources, if any, you will need for your project. Teams will need to rely on prior Homekey award levels in making a determination regarding whether other funding sources are needed (and the likely sources for those funds).

54. Q. What is the maximum award amount?

A. There is no maximum award amount for the City RFP beyond what the City has allocated to this Homekey RFP, described in Section IV of the RFP. Projects must propose a feasible budget that align with State Homekey and City RFP guidelines. Please refer to Section 205 of the State Homekey NOFA for State funding award limits.

55. Q. Can only one partner on the RFP response team show two years of audited financial and meet the stated minimum requirements?

A. Per the RFP: Audited financial statements for all developer/owner organizations from the past two years are required. If these are consolidated financial statements, they must also include the standalone financial statements for the parent organization(s). If particular circumstances about an organization's financial position or capacity require explanation, include that in a narrative summary in addition to the financial statements.

56. Q. Can you clarify that transitional housing with a 55-year agreement would be considered permanent due to the agreement term?

A. Yes, transitional housing with a 55-year affordability agreement would be considered permanent.

57. What % of the units would the City prefer to see allocated for TAY?
- A. We are open to any % that is supported by your experience with successful TAY operations; as mentioned above, generally your project would be stronger if you're able to identify non-City or non-OHA operating match sources.
58. Does the City and County plan to provide the funding for on-going supportive services for 15 years (in addition to the Homekey funds for services/operating) if a project is fully interim?
- A. We are allowed to use some portion of the City capital and operating funds for interim projects. OHA may also have some flexibility in their sources to cover interim housing, but they are unlikely to provide a concrete response before the deadline. Most importantly, we have heard from County HCSA that they can provide services funding for projects, and we encourage you to speak to HCSA asap.
59. Q. Is interim housing allowed on the City-owned site? What is the difference between interim and permanent affordable housing? Semi-permanent? Transitional?
- A. Per the Addendum to the RFP released on 10/25/2022, interim housing is explicitly permitted on the Clara/Edes City-owned site.

Per the RFP, the following are the definitions for:

*"Interim Housing", "Transitional Housing" or "Congregate Shelter" means any facility whose primary purpose is to provide a temporary shelter for the Homeless in general or for specific populations of the Homeless, and which does not require occupants to sign leases or occupancy agreements.*

*"Semi-permanent" units must be available as affordable housing for homeless populations for at least 15 years;*

*"Permanent Housing" means a housing unit where the landlord does not limit length of stay in the housing unit, the landlord does not restrict the movements of the tenant, and the tenant has a lease and is subject to the rights and responsibilities of tenancy "Permanent" housing must be affordable for 55 years.*

60. Q. Is there a list of services and/or nearby amenities for the TAY population within the area of the City-owned site?
- A. The City of Oakland Human Services Department is looking into this and the City will update this Q&A document if there is a list of services available or additional details on this.
61. Q. Is there a preference for permanent or interim for the City-owned site?
- A. There is no preference.
62. Q. Where is the sanitary sewer for the City-owned site at Clara/Edes? Does the site have electrical or water currently to it or in the sidewalk easily accessible? If not, where is the closest location?
- A. We do not have a map with utility connections because the site is vacant. You may be able to check with East Bay Municipal Utility District (EBMUD) and PGE.

63. Q. When will you release an appraisal for the City- owned Site?

A. The full appraisal will be provided to the selected sponsor ahead of the Homekey application. The City's appraisal for the City-owned site has found that the Fair Market Value for the site is \$1.7 million and the ground lease value is \$100,000 per year. This equates to \$8,333.00 per month or \$3.80 per square foot per year.

64. Q. Does the City have a topo graphic or geotechnical survey of the Clara/Edes site, what are the site characteristics?

A. Unfortunately, we do not have topographic or geotechnical surveys for the parcels. We have a parcel map that can be provided upon request.