



2018 Affordable Housing NOFA Questions and Answers

I. General

Q: How can an applicant provide proof of site control?

A: Per the application instructions, evidence of site control can include one of the following:

- Grant Deed evidencing fee title ownership;
- Purchase agreement, including evidence that the term of the agreement is sufficient to hold the property until the anticipated date of purchase;
- Option to purchase or lease, including evidence that the options are renewable until the start of construction;
- Long term lease agreement;
- Executed land sales contract or other enforceable agreement for acquisition.

Q: What is the maximum funding amount?

A: The maximum funding amount is 10% of the of the total development cost (TDC) for the affordable housing portion of the applicant's proposed project.

Q: Is the funding under this NOFA a loan or a grant?

A: Funding will be provided in the form of a residual receipt loan. In addition, the City will restrict rents of the property for 55 years by recording a regulatory agreement to title.

Q: What is the interest rate for the loan?

A: 3%.

Q: Can applicants access City of Hayward CDBG funding for aspects of this project?

A: Developers seeking assistance with **pre-development or acquisition costs** should contact Dana Bailey regarding potential availability of Community Development Block Grant funds. Dana Bailey can be reached by calling 510-583-4252 or by email at Dana.Bailey@hayward-ca.gov.

Q: Does the City have Section 8 vouchers?

A: No. Alameda County provides Section 8 housing vouchers. Unfortunately, it is our understanding that they currently do not have any vouchers available. However, each developer is encouraged to check with the Housing Authority of Alameda County.



Q: How is a unit defined for the purpose of this NOFA?

A: For the purpose of this NOFA, a housing unit is a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants do not live and eat with other persons in the structure and which have direct access from the outside of the building or through a common hall. This is based on the US census definition of a Housing Unit. For the purpose of planning approvals, a housing unit may be defined differently.

II. Scoring

Q: For Scoring Criteria III – Location, can an applicant score points for a proposed facility?

A: No. Points will only be awarded for existing facilities.

Q: Who will score the proposals?

A: City staff will review and score each submitted proposal based on the threshold and scoring criteria outlined in the NOFA. Scoring of each project will be discussed amongst staff responsible for scoring to ensure that projects are scored consistently.

Q: Does City Council have discretion over the scoring and/or ranking of projects?

A: City Council will receive summary information, scoring and ranking for each proposed project. Staff is likely to propose various funding scenarios that considers project ranking, as well as the most effective use of the City's resources and Hayward's base allocation of A1 funds. Hayward City Council has the ultimate decision-making authority regarding which projects are awarded funds.

III. Community Meetings

Q: Are applicants required to hold 2 community meetings prior to the June 29th deadline?

A: Yes.

Q: Can the City of Hayward's Housing Division help with coordinating community meetings? To what extent can the City support in coordinating these meetings?

A: While the Department may not directly assist applicants with the coordination of community meetings, the City of Hayward does provide tools that can assist applicants in identifying properties adjacent to the proposed project. Please visit <https://www.hayward-ca.gov/discover/maps> for more information.



Q: Can you provide additional information on the specific requirements for these community meetings?

A: The NOFA does not provide specific requirements for coordinating community meetings except for the requirement of hosting 2 community meetings on your project before the June 29th NOFA deadline. However, we highly encourage applicants to:

- Hold meetings in the proposed project's neighborhood; and
- Perform outreach to, at minimum, the properties that are within a 500-foot radius of the proposed project (with a wider outreach to the entire neighborhood strongly desired).

IV. Alameda County Measure A1 Funding

Q: What is the process timeline for the County Measure A1 local allocation and regional NOFA, and how does it coincide with the City of Hayward NOFA?

A: The City will determine which projects will receive funding from the Hayward A1 base allocation. After Council approval, the City, in collaboration with the developer, will submit an application to the County for the base allocation. These applications will be submitted based on the project's development schedule, among other criteria, and will be coordinated to ensure Alameda County Board of Supervisor's approval prior to other application deadlines. We anticipate that the County will release the Mid-County competitive RFP in Fall 2018 at the earliest. We expect the required City matching funds will be approved by City Council before the release of the County NOFA.

Q: Is there a maximum loan amount for the County Measure A1 bond funds?

A: It is our understanding that the maximum A1 loan amount will range from 30% to 40% of total development cost, depending on the tax credit financing used on the project. For more information on County Measure A1 bond funding, please refer to www.acgov.org/cda/hcd/bond.htm.

Q: So, the match requirement for County Measure A1 is not a 1:1 match?

A: Correct. The minimum amount required to satisfy the matching funds required by Alameda County Measure A1 funds is equal to the cost of the project's planning and permit fees.



V. Loan Subordination

Q: Can you please provide more detail regarding changes to the subordination requirements that are being implemented through this NOFA?

A: Per the NOFA, consistent with requirements under Alameda County Measure A1 bond funds, the City will no longer subordinate its affordability covenants to the deeds of trust securing other lenders' financing, with the exception of State and Federal funding sources (subject to staff approval and to the ratio of loan to total development cost). The affordability covenants control, among other things, the maximum income of tenants of project units, and the maximum rents allowed for project units. It is likely that language will need to be negotiated with the private lenders prior to loan closing to mitigate risk. The City deed of trust may be subordinated to private financing on a case-by-case basis.

Q: Do you have sample language that mitigates the private lender's risk?

A: No. However, we anticipate the language will be aligned language adopted by the County for its Measure A1 bond financing program. The City of Oakland has required their regulatory agreements to be senior to private financing for several years. If you have a project in the City of Oakland, check the regulatory agreement as a point of reference.

Q: When will the City of Hayward have their draft loan documents finalized?

A: Each project is unique, and we do not anticipate having loan documents available until the loan documents are negotiated.
