Measure W Home Together Fund: Multifamily Homelessness Solutions

2025 New Construction Request for Proposals

FAQ #1

General

Q: Will the Bidders Conference slide deck be shared?

A: Yes, the Bidders Conference slides will be made available to attendees of the RFP Bidders Conference. Please note that the Bidders Conference slide presentation is provided as an overview only. Potential applicants should refer to the RFP document in preparing their submittals.

Q: When will the next round of funding be available and will it include rehabilitation of housing?

A: HCD expects to provide approximately $50,000,000 in funding for projects that provide housing for unhoused individuals. The funding for this RFP release will consist of approximately $40,000,000 in local Measure W Home Together Fund (HTF) dollars for capital and operating subsidies as described in the RFP, with the goal of funding shovel-ready projects. Another RFP will be released in early 2026 for acquisition and rehabilitation projects. If funds are unallocated, or if the Board of Supervisors directs additional funds be made available, they will be released in future rounds.

Q: Is $40M the total dollars being released for this part of New Construction?

A: Under this RFP, eligible activities are the new construction of permanent affordable rental housing for Home Together Coordinated Entry System units (HTCES units).

Q: Are projects that would rehabilitate existing units used as low-income housing, or other uses such as commercial and respite, and transition them to PSH eligible for this funding opportunity?

A: No. Under this RFP, eligible activities are the new construction of permanent affordable rental housing for HTCES units.

Q: Will the next RFP be for acquisition and rehab or can we apply for acquisition only or rehab only?

A: The County has not yet made a decision on the exact structure of the next RFP.

Q: What does “purchasing homeless units” mean for this funding opportunity?

A: If the existing proposed affordable unit mix of a project does not include homeless units and the project is otherwise eligible under this RFP, then an applicant to this RFP may propose to set-aside homeless units as HTCES units and request the amount of HTF subsidy necessary, either as capital or as capitalized operating reserve subsidy and subject to RFP requirements, in order to make the provision of HTCES units feasible for the project.

Q: Is the term sheet included in Appendix B the most recent version we should reference rather than the term sheet dated 10/31/16 which is found on the HCD website?

A: Yes, the loan term sheet included as *Appendix B-Affordable Housing Development Loan Term*s to the RFP is the correct and most recent version that should be used.

Q: If a project intends to apply for Homekey+ funds and is selected under this RFP, will the County be the project's co-applicant to State HCD for Homekey funds?

A: Not necessarily. The HTF RFP is not intended to commit the County to being a co-applicant for State Homekey+ funding. If an applicant is proposing to apply for Homekey+ funding for a project in unincorporated Alameda County, then the applicant should reach out to Alameda County HCD at john.lo@acgov.org and the County will consider being the co-applicant.

For projects located in a city within the County, the expectation is that local city would be the co-applicant. The County will not be the co-applicant.

The applicant's RFP submittal should identify the proposed local government entity and the status and timing of obtaining the local government entity's approval, including the required executed resolution authorizing the entity to apply for funds and to participate in the Homekey+ Program for the project.

Q: Who is the contact at Housing and Homelessness Services for HomeKey+ applications?

A: Please see the response to the preceding question.

Minimum Threshold and Underwriting Requirements

Project Eligibility

Q: Are tax credit projects that have started construction eligible to apply for the Home Together Fund: Multifamily Homeless Solutions RFP?

A: Projects that have started construction are eligible to apply for HTF COSR funding only if all of the following apply:

- Project development costs are fully funded (no construction gap); and
- The applicant has a feasible proposal to buy-down units in the project to be set-aside as HTCES units; and
- There is a net gain of homeless units due to the HTF COSR. This means the units set-aside as HTCES units must be new homeless units that were not otherwise restricted as homeless units prior to the HTF COSR buy-down.

Q: Are projects that have a tax credit allocation but have not started construction eligible?

A: Yes, projects that will increase the number of homeless units with the funds from this RFP and that have not closed on the project's construction financing and commenced construction are eligible, even if they have received a tax credit allocation and are getting ready to start construction. HTF RFP funding may not supplant other project funding and must be used as gap financing for 100% affordable developments to the extent the project provides HTCES units, and/or capitalized operating subsidies for HTCES units developed with HTF RFP funds.

Q: How many applications (projects) can a sponsor submit for? Can developers/sponsors submit applications for more than one project?

A: As long as the development team and project meet the eligibility and minimum threshold requirements, the RFP places no limit on the number of projects per developer sponsor.

Q: What is the rationale for the 30- unit minimum project size and are there exceptions to that possible?

A: The minimum project size is generally established to ensure feasibility given the transactional costs associated with tax credit projects. Please refer to the RFP section on Eligible Projects – the minimum project size has been reduced from 30 units to 25 units.

Q: Are tiny homes eligible for this funding opportunity?

A: Eligible projects under this RFP must meet all of the following criteria:

a. Be located in Alameda County; and
b. Provide permanent affordable rental housing; and
c. Commit to applying in one of the upcoming 2026 rounds for either 4% or 9% tax credits, or applying no later than March 2026 in the State HCD Homekey+ (HK+) NOFA for Section 501 Gap Financing; and
d. Have a minimum project size of at least 25 units.

Q: Are smaller projects such as those on church property eligible for this funding opportunity?

A: Please see the response directly above regarding eligible projects.

Q: Will you only consider traditional multifamily housing for this funding opportunity?

A: Please see the response directly above regarding eligible projects.

Q: If a project is applying for state funding in 2027 does that meet the requirement or must all resources be applied for in 2026?

A: Please see the response directly above regarding eligible projects.

Q: Can previous Homekey projects that have had a shortfall for capital improvements as well as operating shortfalls, that are currently operating qualify?

A: Existing programs are not eligible under this RFP. They may be eligible under a future RFP round.

<u>Maximum Subsidy</u>

Q: What is the maximum award per project?

A: Per the RFP, the maximum potential subsidy is $225,000 per HTCES unit. The RFP does not establish a maximum award per project. However, the maximum award will be constrained by the number of HTCES in the project application.

Q: Are projects eligible for $200k per unit in capital and another $200k per unit in operating subsidy (i.e., $400k per unit)?

A: No, the total combined per Unit Subsidy maximum is $225,000 per unit. For example, an applicant may request $175,000 in capital subsidy and $50,000 in operating subsidy for a total of $225,000 per unit.

Q: The per unit subsidy section of the RFP states that the maximum allowable capital subsidy goes up to $200,000 per unit for two-bedroom units, is there a higher allowable subsidy for larger units such as three bedrooms?

A: No, the maximum allowable capital subsidy is $200,000 per unit.

HTF Capitalized Operating Subsidy

Q: In calculating the size of our Capitalized Operating Subsidy Reserve (COSR), can we use actual tenant rent contribution or do we need to base calculation off of the proposed TCAC AMI? For example, if we have a 1-bd unit that we plan to maintain at 40% AMI under TCAC ($1,199 rent limit per 2025 TCAC rents), but we know that potential residents moving into that unit would only be able to pay an average of $835/month based on their current incomes, can we size the COSR based of the actual estimated rent contribution rather than the TCAC AMI level? In other words, can we size the COSR based off a $663 rent differential (TCAC 50% AMI of $1,498 minus $835 actual tenant rent contribution) rather than a $299 rent differential (TCAC 50% AMI of $1,498 minus $1,199 rent contribution potential for a TCAC 40% AMI unit)?

A: Please refer to the revised RFP which includes a new section, HTF Capitalized Operating Subsidy, for guidance in how to size the HTF COSR for your project. The HTF COSR will be sized based on the difference between the cost of operating the HTCES units and the revenues received for those HTCES units, including tenant rental payments and any other operating subsidies. Applicants are advised that the estimated Home Together-eligible tenant contribution to rent is typically between 0% and 15% AMI.

The HTCES units must be restricted to extremely low-income households with rents no greater than 30% of 30% AMI. HCD will require that HTCES units are rented to Home Together eligible tenants and the tenant contribution to rent is no more than 30% of household income.

Q: I get the per unit monthly calculation of the difference between 50% AMI and the estimated tenant rent, but how do you get from there to calculate total COSR allowed?

A: Please refer to the revised RFP which includes a new section, HTF Capitalized Operating Subsidy and includes an HTF COSR Sizing Example.

Q: The RFP says the HTCES units can be underwritten at 30% rents but that the occupants may not pay more than 30% of their income, and suggest rent assumptions that look like 10 or 15% AMI, and then suggest that the COSR be sized to be the difference between that acutely low rent and 50%. Is the COSR intended to be a rent reserve to supplement actual tenant paid rents (compared to underwritten rents) administrated by sponsor rather than being a true operating reserve?

A: The HTF COSR will be sized based on the difference between the cost of operating the HTCES units and the revenues received for those HTCES units, including tenant rental payments and any other operating subsidies. Please refer to the revised RFP which includes a new section, HTF Capitalized Operating Subsidy, for guidance in how to size the HTF COSR for your project.

Q: The Minimum Affordability Section of the RFP (page 16) states that a project requirement is that HTCES units must be rented to Home Together eligible tenants and the tenant contribution to rent must be no more than 30% of household income. Does this include tenants who earn no income or less than 30% AMI? If so, it will be nearly impossible to underwrite for lenders and investors without COSRs in the range of $400k-$500k (for 20 years, let alone the affordability term of 55 years) in units without PBS8 vouchers.

A: Please assume that the HTF-eligible tenant earns between 0-15% of AMI and that they are paying no more than 30% of their income in rents. And the income of the household at move in is restricted to those who are earning not more than 30% of AMI.

Q: How do Measure W funds interact with HUD VASH / HCD - VHHP / OHA units? Can they overlap?

A: In regards to tenant referrals, currently, VASH and other federal project-based subsidies also require or allow for Coordinated Entry referrals. H&H Coordinated Entry staff will work with each project sponsor to tailor referrals based on specific eligibility requirements.

In regards to layering funding sources, the HTF RFP funding may be requested as capital funds to provide gap financing to assist with project development costs on units that already have a VASH or project-based subsidy. Or they can be used as capitalized operating subsidy for units that do not have operations subsidy. As long as the HTF funds do not supplant other funding commitments to the project, including rental or operating subsidies, the County allows HTF funding to be layered with other funding sources.

The HTF COSR will be sized based on the difference between the cost of operating the HTCES units and the revenues received for those HTCES units, including tenant rental payments and any other rental or operating subsidies. Please refer to the revised RFP which includes a new section, HTF Capitalized Operating Subsidy, for guidance in how to size the HTF COSR for your project.

<u>HTCES Units and Unit Rent Assumptions:</u>

Q: Are we only eligible to apply for funding on units that are serving tenants at 30% of AMI or below?

A: Yes, this funding opportunity is only for households whose incomes are at 30% or below AMI. The HTCES units must be restricted to extremely low-income households with incomes no greater than 30% of AMI. HCD will require that HTCES units are rented to Home Together eligible tenants. Applicants are advised that the estimated Home Together tenant contribution to rent is typically between 0% and 15% AMI.

HTCES units with project-based rental assistance from a source other than the HTF (such as the Project-Based Voucher Program) may rent for the maximum rent allowed under the rental assistance program provided they are rented to a Home Together eligible tenant and the tenant contribution to rent is no more than 30% of household income.

Q: Do the AMI levels we include in the TCAC Attachment 40 for the HTCES units become the rent levels those units will be restricted to by the County?

A: The HTCES units must be restricted to extremely low-income households with incomes no greater than 30% AMI. HCD will require that HTCES units are rented to Home Together eligible tenants and the tenant contribution to rent is no more than 30% of household income. Applicants are advised that the estimated Home Together tenant contribution to rent is typically between 0% and 15% AMI.

Q: What are the County's underwriting guidelines for HTCES units without rental subsidy? Should developers underwrite tenant-paid rents at 15% AMI (CTCAC Rent Limits)?

A: Please see the preceding answer.

Projects that are proposing to serve extremely low income (ELI) households and those homeless households with incomes at or below 30% of the Area Median Income (AMI) for Alameda County, typically require a commitment of operating subsidy to ensure that the ELI tenants do not pay more than 30% of their incomes towards housing costs while ensuring the project has positive cash flow and is financially viable.

HTCES Eligible Housing Units

Q: Do we have flexibility in whether to propose the HTCES units be "Dedicated Affordable Housing" or "Permanent Supportive Housing" or "PSH+"? How would you suggest we propose the appropriate mix? What factors should we consider other than ensuring we can provide the appropriate services? Is it ok to propose all of the HTF units be the same type?

A: The project sponsor/owner will not be able to propose which Coordinated Entry sub-population will be housed in the project. H&H will determine which of these three groups are referred to your project based on your supportive services plan, the project's location, and other factors. H&H may select one or a mix of these three group types.

Q: Can the HTCES units be set-aside for persons at risk of homelessness?

A: This RFP targets housing for people who are currently experiencing homelessness under the HUD definition under HUD 24 CFR 91.5, included below AND are on the Coordinated Entry List. For projects that do not include HUD Continuum of Care funding, please refer to the exceptions to the HUD eligibility definition, included below.

HUD Homelessness Eligibility: HUD 24 CFR 91.5

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

(ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:
(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
(ii) Has no other residence; and
(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

Exceptions for projects not receiving HUD Continuum of Care funds:

1) Imminent housing loss under (2)(i) will be extended to 30 days.
2) Exiting institutional stays as described in (1)(iii) will not be limited to those in the institution for less than 90 days.

Q: For special needs projects, must all referrals be actively experiencing homelessness and come from Coordinated Entry?

A: Yes, all households placed will come from Coordinated Entry. The RFP funding must be used for HTCES units which must be set-aside for persons experiencing homelessness in Alameda County. Tenant referral for HTCES units shall be through the Coordinated Entry System or as specified by H&H.

Q: We had heard that other referral agencies could be considered too -- in place of coordinated entry for specific populations. For example, the Regional Center of the East Bay, which works with the I/DD community and does housing referrals. Are you suggesting that would not be possible in any way? Is there even a hybrid opportunity -- aka, some of the units could be Coordinated Entry referrals and some RCEB?

A: All units will be filled through Coordinated Entry. H&H works with many service agencies to ensure that a wide range of populations and those with special needs are able to access the Coordinated Entry list. “Alternate channels” should work with H&H to get their special needs populations enrolled in Coordinated Entry which allows for enrollment, prioritization, and verification of homelessness or other eligibility factors as part of the process.

Q: Can you provide other sources of tenant referral that are approved by H&H?

A: While most referrals to permanent housing are through the housing queue as part of Coordinated Entry, H&H has implemented a limited number of exceptions for special eligibility, such as PSH+ units with enhanced medical support. Even in these cases, referrals are managed by H&H as the Coordinated Entry Management Entity but may originate with medical facilities or providers.

Q: Will the County consider individuals who stay in skilled nursing facilities longer than 90 days as homeless households for the purposes of the County's evaluation of a project's proposed units for homeless households?

A: (See answer above: *While most referrals to permanent housing are through the housing queue as part of Coordinated Entry, H&H has implemented a limited number of exceptions for special eligibility, such as PSH+ units with enhanced medical support. Even in these cases, referrals are managed by H&H as the Coordinated Entry Management Entity but may originate with medical facilities or providers.*)

Q: Our project is going to rehouse residents currently living at Alameda Point at initial lease-up, can we still qualify for this funding if we commit to filling the units via CES when they turnover?

A: This RFP is intended to expand the number of HTCES units housing HTF-eligible tenants. The County's regulatory agreement for HTF funded loans will require that HTCES units be occupied by HTF-eligible tenants at all times.

Q: If we received a Measure A1 award for our project, are we only allowed to apply for funding on units that were not supported by Measure A1?

A: HTF RFP funding may be layered with units already supported by Measure A1. Projects are allowed to apply for as much funding as they need to make their projects viable up to the per unit subsidy limits outline in the RFP.

Q: In regard to property management experience, can we include PM experience related to commercial and community-serving spaces in mixed-use developments?

A: The RFP contains both minimum experience qualifications for property management as well as competitive evaluation (scoring) criteria for experience that exceeds the minimum. The minimum experience qualifications are intended to align with CTCAC requirements and, per RFP Exhibit 14, applicants are required to certify that the proposed property manager for the project qualifies for maximum property manager experience points under the most recent CTCAC Regulations and has not received any negative points from CTCAC since January 2024.

Please note the RFP minimum experience qualifications also includes at least three years of experience managing supportive housing units in at least two properties of no fewer than ten units each.

Q: How do we confirm that a Service Provider has a track record and is in good standing with the County's H&H Team (Sec. VI.C.e.4) and that the Service Provider is pre-qualified as a Housing Community Supports or Enhanced Care Management Provider in Alameda County (Sec. VI.C.e.5)?

A: Current Housing Community Supports Housing Provider Portfolio (24 Community-Based Providers): Abode Services, Bay Area Community Services (BACS), Building Opportunities for Self-Sufficiency (BOSS), City of Fremont Human Services Department, Building Futures with Women and Children (BFWC), Covenant House California, East Bay Innovations (EBI), East Oakland Community Project (EOCP), Fred Finch, Housing Consortium of the East Bay (HCEB), Insight Housing, Life Steps Training and Educational Programs (LifeSTEPS), Lifelong Medical Care (LLMC), Roots Community Health Center, St. Mary's Center, Tiburcio Vasquez Health Center, Inc., Women's Daytime Drop-In Center, Five Keys Schools and Programs, La Familia, Operation Dignity, Inc, and Satellite Affordable Housing Associates (SAHA).

Q: For projects that do not meet the minimum number of HTCES units but "can demonstrate comparable provision of on-site supportive services in terms of the staffing, scope and operational efficiency of the on-site supportive services," what kind of documentation is needed to suffice this requirement?

A: The proposer should provide the services staffing level (staff to client ratio and staffing qualifications) with a clear delineation of the number of hours staff will be available on site and with time dedicated to the HTF residents. These should be represented in the services plan and with the required services commitments.

Q: Will a letter from Housing and Homelessness Services suffice for confirmation of our services commitment?

A: Please confirm any service commitments with H&H by emailing them at HSO@acgov.org.

Q: What will the County be looking for in terms of the support letter from H&H? What should we be prepared to provide H&H when requesting that support?

A: As a threshold requirement, applicants must have a preliminary commitment of supportive services from H&H or other funder by the time of RFP submission. Please refer to the RFP for detailed guidance regarding supportive services plans and minimum qualifications of the development team, including the services provider. If after reviewing the RFP, an applicant still has questions regarding the preliminary commitment of supportive services for the project, applicants may email H&H at HSO@acgov.org.

Q: Are we required to take operating funding from H&H either for operating subsidy or for on-site services?

A: The HTF RFP does not require applicants to request operating subsidy. However, projects are required to demonstrate at least 15 years of operational sustainability. Eligible projects will need to have a preliminary commitment of supportive services from H&H or other funder by the time of RFP submission. In addition, the services provider for the HTCES units must be pre-qualified as a Housing Community Supports or Enhanced Care Management provider in Alameda County or have a documented partnership with a provider who is so qualified. Please refer to the eligibility section of the RFP for full information.

<u>Underwriting Thresholds</u>

Q: Local Support: For projects in unincorporated Alameda County, where should the jurisdiction letter of support come from?

A: For projects located in unincorporated Alameda County, applicants must provide a letter of local support from the County Community Development Agency Director. We suggest

going through the Planning Department staff contact that you worked with on your project.

Q: Do the support letters from local funders need to specifically state that the funds are a local match, even if the funds are already committed?

A: Existing letters of local support for the project are sufficient for this RFP application. Please note that the documentation of match from the city in which the project is located may be documented separately from the letter of local support. The formal match commitment must be submitted at the time of RFP application in order for a project to satisfy the match threshold requirement and in order for the match to be evaluated as a source of committed financing.

Q: Can a waiver of affordable housing fees also count as part of the match from a local jurisdiction? If a jurisdiction charges different fees based on where a project is located, can any additional fees that would be assessed towards the project also count as effectively waived?

A: The minimum amount of match must equal the city planning and building fees for the project, not including impact fees, for the city in which the project is located. Additional amounts are encouraged. Match must have a determinable financial value, including, but not limited to, any combination of such things as:

- Cash, including HOME, CDBG and other federal or State funds that flow through the jurisdiction and are funding sources on which the jurisdiction relies;
- The value of land which has been donated or the value of a reduction in cost of land from market value;
- Waived planning, building or impact fees;
- Cash or land donated by developer as a result of a negotiated deal with the city or due to a city policy;
- The additional loan amount leveraged by a local housing authority's commitment of project-based vouchers (including, but not limited to, Project-Based Vouchers, Veterans Administration Supportive Housing, and local programs).

Q: What kind of documentation of Project Based Vouchers from a local housing authority is required for the match requirement?

A: Please refer to the preceding answer. HCD will expect the calculation of financing leveraged by a commitment of project-based vouchers to conform with CTCAC regulations.

In addition, for any committed funding, the applicant must provide evidence of enforceable financing commitments for each source. For a commitment to be considered enforceable it must:

1. be in writing, stating the essential terms of the financing; and
2. be subject only to conditions within the control of the applicant, but for obtaining other sources such as HTF RFP financing; and
3. be executed by an authorized officer of the grantor, lender (other than a mortgage broker), or other agency providing the commitment or award.
4. For all private lenders, all commitment letters must explicitly state the lender will subordinate to the County's Regulatory agreement.

Q: Can local match come from another local source other than a city, such as a housing authority?

A: Yes, match may be contributed from a local governmental sponsoring entity, such as a local housing authority, and may count towards the match threshold requirement as long as it has a determinable financial value.

Eligible Costs

Q: Are acquisition costs eligible?

A: Yes, acquisition costs are listed as an eligible cost in the RFP. Refer to the "Underwriting Thresholds" section of the RFP.

Financing Guidelines

Q: What is the rationale for 10% construction contingency on new construction projects?

A: The 10% construction contingency is required by the County Affordable Housing Development Policies.

Operating Budget

Q: For projects with existing Measure A1 commitments, can you confirm that the County will not stack another $300/unit monitoring fee for Measure W commitments?

A: For loans administered by HCD, HCD will consolidate its monitoring fees such that the monitoring fee per HCD-restricted unit will not exceed $300 per unit.

Q: Will the vacancy assumptions conform to CTCAC Underwriting Criteria as stated below in (Section 10327(g))?

"Vacancy and collection loss rates shall be ten percent (10%) for special needs units and non-special needs SRO units without a significant project-based public rental subsidy, unless waived by the Executive Director based on vacancy data in the market area for the population to be served. Vacancy and collection loss rates shall be between five and ten percent (5-10%) for special needs units and non-special needs SRO units with a significant project-based public rental subsidy. Vacancy and collection loss rates shall be five percent (5%) for all other units."

A: The annual vacancy/collection loss for family, senior, and preservation projects are 5% and 10% for annual vacancy/collection loss for special needs projects.

<u>Other Threshold Requirements</u>

Q: If City provides a letter confirming entitlements are in process with minor edits required will that be accepted as entitlement approval?

A: No. Applicants must have obtained all land use entitlements from the local jurisdiction in which the project is located by the time of the RFP application due date.

Q: Can reliance letters from consultants meet the requirements for Phase I and Phase II (if needed) environmental site assessments if the reports were completed more than one year ago?

A: If the Phase I and/or Phase II Environmental Site Assessment report is more than one year old, then the environmental consultant that prepared the ESA report must provide a letter stating that the information is still accurate and may be relied upon. HCD will require an updated report prior to construction loan closing.

Conditions of HTF RFP Funding

Q: Is the 12 months to close deadline from the date of the receipt of a loan commitment?

A: The expectation is that a project will receive final funding from the state in calendar year 2026. HCD's conditional financing commitments under this HTF RFP are valid for 12 months from date of issuance. All other sources of funds must be committed to the project within that time frame and construction loan closing be initiated. If there is a pending application for funding at the end of 2026, the project sponsor may request an extension which HCD staff may consider in their sole discretion.

Q: Appraisal is due within 6 months of acquisition. Is there ability to ask appraiser to confirm still valid?

A: If acquisition is included in the development budget, project sponsors will be required to submit a recent appraisal of the project site and any existing improvements prior to construction loan closing. Appraisals must have been completed within six months of this RFP application submission date. If the property is already owned by the sponsor, appraisals must have been completed within 6 months of its purchase.

For tax credit projects, HCD appraisal requirements are intended to align with CTCAC Regulations (see CTCAC Regulations Section 10322(h)(9)) and HCD will consider appraisals with a date of value that complies with CTCAC requirements for new construction applications under Section 10322(h)(9).

Q: Is there a time frame for when the appraisal needs to be completed?

A: Please refer to the preceding answer.

Q: Can a ground lease be substituted for the appraisal?

A: No, HCD will not accept a ground lease in-lieu of a USPAP compliant appraisal in cases where an appraisal is required to substantiate the value of the property interest. If acquisition is included in the development budget, project sponsors will be required to submit a recent appraisal of the project site and any existing improvements prior to construction loan closing.

Please refer also to the RFP sections on Appraisals, Site Control and Valuation of Donated Property for guidance, as applicable to your project.

Q: Are applicants required to submit a market study, rental survey, recent sales comparables, or an alternative acceptable to HCD with their applications and is there a timing requirement for such submissions?

A: Yes, the demand for the type, location, and size of units at the proposed rents or sales prices must be documented and such documentation must be provided prior to construction loan closing.

Q: Is a market study required? It's listed in the body of the RFP but not in the appendix document checklist.

A: The RFP allows for the deferred submittal of the market study until after the award commitment of Home Together Funds as part of the loan closing process. You may submit a market study if you have already completed one, however.

General Loan Terms and Definition of Enforceable Financing Commitments

Q: HomeKey+ also requires that their Reg Agreement be recorded in 1st position. Is the County willing to subordinate to HomeKey+ and a construction lender during construction?

A: The County's regulatory agreement must be recorded against the fee interest on the property and in senior lien position to private lenders. This applies to private construction lenders. In the case of other public agency regulatory agreements, the County may consider requests to subordinate that are in alignment with the County's regulatory agreement provisions including, but not limited to, any tenant set-asides, such as Home Together eligible tenants, maximum income of tenants occupying County-assisted project units and the maximum rents allowed for each project unit.

Q: Will the County allow rent restrictions to float up in the event that rental subsidy contracts terminate?

A: It is anticipated that the County regulatory agreement for HTF assisted units will not allow for an increase to rent restrictions in the event of a loss or rental/operating subsidy. This is due to the primary purpose of the HTF, which is to provide housing for persons experiencing homelessness.

Rating and Ranking Evaluation Criteria

Q: How will projects certify that they will commit to applying in one of the upcoming rounds of tax credit or HomeKey+ funding?

A: Applicants are required to sign a certification (Exhibit 14 to the RFP) by which the applicant acknowledges that within 12 months after receiving the Project's County RFP financing commitment, the Project must have received enforceable commitments for all other financing sources, or the Project will risk losing its RFP financing commitment and risk receiving negative points on future applications for County funding.

Q: How many funding awards will be given out?

A: There is no pre-determined number of funding awards or number of projects.

Q: Can an email evidencing commitment from State HCD for Permanent Local Housing Subsidy (PLHA) funding be used in lieu of an award commitment letter for purposes of demonstrating eligibility for HomeKey+ funding?

A: Yes, if the project applicant can provide evidence of both the enforceable commitment of PLHA to the project and written confirmation from CA HCD Homekey+ Program staff that the PLHA commitment is acceptable as evidence of an existing CA HCD Award commitment.

Q: If we don't meet the criteria for the 4% tax credit tiebreakers, will we not meet the minimum threshold requirements for this RFP?

A: If an application does not meet the minimum CTCAC points score and tiebreaker as defined in the RFP's Appendix C – RFP Evaluation Criteria, then the application would not receive scoring points in that area. The project application may still meet minimum threshold requirements but may not score highly in the Evaluation stage.

Please refer to the revised RFP for updated 4% tax credit/bond tiebreakers.

Q: How can projects demonstrate that they will be competitive in 2026 for tax credits or HomeKey+ funding?

A: Please refer to the RFP and Appendix C – RFP Evaluation Criteria, which includes a section on Competitiveness for State Housing Resources.

Q: Do you have a metric guide for measuring the Cost Efficiency point scoring section?

A: Please refer to Appendix C-Evaluation Criteria of the RFP for detailed scoring criteria. Projects will be compared to similar projects in this funding round. Projects with abnormally high costs are generally defined as being more than 15% above the median development cost per unit, per bedroom, or per square foot than similar projects.

Q: Will Cost efficiency and Feasibility of Dev & Operating Plan (each have 10 points) be rated on a sliding scale?

A: Yes, please refer to Appendix C – RFP Evaluation Criteria.

Q: How can we confirm that we don't have any potential negative points for non-performing previously funded projects?

A: Applicants are advised to review internally whether their organization has any outstanding housing development, contract compliance and/or asset monitoring requests or compliance issues from HCD on existing loans and projects in their portfolio.

Q: Regarding the Penalties for Nonperforming Previously Funded Projects -- is there a contact person or email address we could contact ahead of time to double check we will not be subject to negative points (or so that we can cure prior to the deadline)?

A: Please email your questions to the email provided in the RFP, which is HCDRFP@acgov.org.

Application Instructions

Q: Can at least 2 people be assigned to one project in the portal?

A: Yes, please email hcdrfp@acgov.org if you would like anyone else to be added to the application portal.

Q: Is it sufficient to submit the Firm's Profile rather than resumes from individuals working at the firm for development team members like the architect?

A: All members of the development team must demonstrate experience by providing resumes of staff involved in the project, experience on similar projects, and references. Please refer to the RFP eligibility section and the AHDP Policies and Procedures for additional information.

Q: What kind of supporting documentation is acceptable to document tax credit tiebreakers?

A: Applicants must calculate their tax credit application tiebreaker score pursuant to CTCAC guidelines and applicants must submit supporting documentation with their RFP application, as appropriate, either CTCAC's 4% Application (Attachment 40) or CTCAC's 9% Application in support of their tiebreaker score calculation. In addition, applications must include a narrative describing the feasibility of the financing plan, including tax credit equity pricing assumptions, and why the project has a high chance of successfully receiving other primary sources of competitive financing.

Q: Please clarify what it means to submit a fully completed State Financing Application: (1) E-Application, Exhibit A, and Exhibit B; (2) the items in #1 plus all of the attachments for each tab? Do all the typical exhibits required of a tax credit application apply, or only the documents listed in the RFP application appendix?

A: Please submit the Excel application workbook provided for the State financing source that corresponds to the financing plan for your project, either CTCAC's 4% Application (Attachment 40) or CTCAC's 9% Application (E-Application) or CA HCD's Homekey+ Application workbook. The CTCAC application's "Exhibit A and Exhibit B" that are required for the tax credit application are not required to be submitted with your HTF RFP application submittal.

Q: If a Limited Partnership is the RFP sponsor/applicant, what organization documents are required to be submitted by the partner organizations?

A: The Developer/Project sponsor should submit the following:

The State Financing Application must identify the applicant, the applicant's legal status and all general partners, their respective roles and ownership interests, and the status of the ownership entity. Applicants are encouraged to include key details of the project's developer ownership structure in the Narrative Cover Letter.

Per the RFP Application Instructions, please provide organizational documents for the project ownership entity (see Tab 26). These should include a completed IRS Form W-9 and evidence of formation of the Project's Ownership Entity (e.g. limited liability corporation or limited partnership documentation), if available at time of application, and/or an organizational chart depicting the relationships between the parent development organization and any LLCs and the managing and administrative general partner members of the limited partnership.

For any joint ventures, the joint venture agreement must be provided (see Tab 28).