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CITY OF SUNNYVALE

Request for Proposals (RFP)



For

City of Sunnyvale Housing Mitigation Funds

For

AFFORDABLE HOUSING PROJECTS

Issued by:

City of Sunnyvale
Community Development Department
Housing Division
456 W. Olive Avenue
P.O. Box 3707
Sunnyvale, CA 94088
Housing.InSunnyvale.com
(408) 730-7250

Issued on:

February 24, 2012

Proposals Due:

April 6, 2012

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INTRODUCTION

The City of Sunnyvale hereby requests proposals of affordable housing projects in Sunnyvale to be funded with the City's Housing Mitigation (HM) funds. Approximately \$5 million in HM funds may be made available through this RFP to support the acquisition, rehabilitation or new construction of housing that will provide rental and/or for-sale housing in Sunnyvale that will be affordable to lower income households on a long-term basis. This funding is intended to fill the financing gap between the projected total development costs, the applicant's available resources, and other available funding sources for affordable housing.

Experienced affordable housing developers who meet the qualifications described in this RFP and have demonstrated their ability to design, build and manage quality affordable housing projects are encouraged to submit proposals. All proposals must be received by the Housing Division no later than **5:00 p.m. on April 6, 2012**. Applications submitted after this deadline will not be considered. Funding will be awarded by the City Council on a competitive basis to the top-ranked proposal(s) that successfully demonstrate how the proposed project would address the City's affordable housing needs and benefit the City as a whole.

The City is seeking proposals that demonstrate an understanding of the community and its affordable housing needs, the unique attributes and opportunities of the neighborhood where the project would be located, a cost-effective use of available funding, a feasible implementation plan, successful experience in developing and managing affordable housing, and a commitment to an inclusive and informative public participation process.

Funding Sources

Funding under this RFP will be provided from the City's HM fund. The City also receives limited funding from the federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs. Those funds are awarded in smaller amounts through a separate RFP and require compliance with federal HUD regulations. **This RFP is for the City HM funds only.**

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Minimum and Maximum Funding Awards

Applicants may request an award of HM funds in any amount between \$500,000 and \$5 million per project. The City anticipates funding only one or possibly two projects through this RFP. Projects will be evaluated and ranked in part on the basis of City cost per unit, comparing such costs to those of recent, comparable projects in the area, tax credit standards, and similar measures of cost-effectiveness used in affordable housing development, with consideration of differing unit sizes, affordability levels, and unit tenure (i.e., rental versus for-sale).

Eligible Applicants

Eligible applicants include for-profit or nonprofit corporations, general or limited partnerships, joint ventures or limited liability companies. Applicants must have demonstrated experience and capacity in the development and management of affordable housing. Applicants must have successfully completed a minimum of three affordable housing projects of similar size and complexity as the proposed project, located within Santa Clara county or an adjacent county, and completed within the past fifteen years, to be eligible to submit a proposal.

Eligible Projects

Each applicant/developer may propose only one housing project under this RFP. Eligible projects include new construction or acquisition with or without rehabilitation, for the purpose of developing affordable housing for extremely low-, very low- and low-income households. Development of emergency shelters or transitional housing is not eligible because it is not permanent affordable housing.

Mixed-use projects (containing both residential and nonresidential space) are eligible, as well as mixed-income projects (containing both affordable and market-rate rental units). Generally, for mixed-use projects, approximately two-thirds or more of the project's total floor area should be residential. For both mixed-use and mixed-income projects, the City funds may only be used to pay for development of the affordable housing units. All other development costs must be funded with other sources.

Selection Criteria and Scoring

The City will evaluate proposals based on the goals and housing priorities listed below, as well as the goals and objectives described in the City's Housing Element. All proposals will be reviewed for consistency with these goals and priorities, which are a guide to the types of projects the City is especially interested in funding. The housing priorities do not preclude other types of projects, and the City may decide to fund exceptional projects that are not on the priority list. Project scores will not be based on a certain number of points for each individual goal and priority listed below. Proposals will be scored on their general merits using the scoring sheet attached to this RFP. These scores will be considered by the Commission and Council, but will not necessarily be the sole factor in funding decisions.

Project Goals

- Housing units will remain affordable for at least 55 years;

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- The project's management plan promotes a healthy living environment for tenants and a compatible relationship with neighbors.
- The project is consistent with the goals and objectives of the Housing Element of the City's General Plan;
- The project costs are reasonable, the project is soundly underwritten, and it can reasonably be expected to be successful in securing funding from highly competitive sources;
- The project will allow the City to spend housing funds expeditiously;
- The project site is near transit and services and is convenient for the target population;
- The project site can be developed to at least 70% of the maximum density allowed by its current zoning district and land use designation;
- The project design is attractive, compatible with its surroundings, and will incorporate "Green" building practices and materials to the extent possible;
- The project is compatible with the site's surroundings and neighborhood setting;
- The project would not permanently displace current residents and/or businesses from the project site.
- The project incorporates appropriate community spaces, amenities and services for the target population; and
- The development team has demonstrated experience with successful affordable housing projects and the capacity to work cooperatively with the community in the design and development of the project.
- The applicant/developer is able to obtain all other funding needed and required permits within approximately two years of City funding award, and begin development of the project within a year of securing all necessary funding.

Housing Priorities

- Rental housing affordable to extremely low- and very low-income households earning 50 percent or less of the area median income.
- Rental housing with on-site supportive services to stabilize transitioning homeless families or individuals, such as child care, vocational counseling, and/or health care.
- For-sale housing affordable to very low- and lower-income, first-time home buyer households earning 80 percent or less of the area median income.
- Projects that provide dual benefits by developing affordable housing and improving an underutilized or poorly maintained property, or by providing housing near employment centers.

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- Projects that support transit ridership at existing transit facilities, due to their location within ½ mile of Caltrain stations and/or ¼ mile of VTA light rail or express bus stops.

APPLICATION PROCESS

Submittal Requirements

Applicants must submit the following materials:

- One (1) original and two (2) copies of a complete application using the attached form, with all required supporting materials attached.
- All application materials must also be submitted on a CD-rom or thumb drive in the form of one or more .pdf and/or .jpg files, each of which is not larger than 5MB per file.
- Applications must be received by the Housing Division by 5:00 p.m. on April 6, 2012. Postmarks will not be accepted.

Under the California Public Records Act, all documents submitted in response to this RFP will be considered public records and will be made available to the public upon request. Proposals received may be posted on the city's website as part of the review process.

Initial Application Review

Staff will review all the proposals for completeness and to verify that both the applicant and the proposed project are eligible. Proposals from applicants without the City's minimum required experience will not be considered. All proposals must be complete and contain all the required information and attachments when submitted. Incomplete proposals will not be considered. Staff will forward those proposals deemed eligible and complete to the Commission and Council for final review and selection using the following two-step process:

Step One

Eligible proposals will be reviewed by the Housing and Human Services Commission at a meeting in April or May, and will be scored and ranked by the Commissioners using the scoring sheets attached to this RFP. Applicants may briefly present their proposals, in five minutes or less, to the Commission. Meeting attendance by the applicants is recommended but not required. Commissioners may ask questions of the applicants following the presentations and will then hold a public hearing on the proposals before deliberating on funding recommendations. The Commission will recommend an award of a specific amount of available HM funds to the top-ranked one or two projects, or may decline to fund any of the proposals and direct staff to re-issue the RFP.

Step Two

The Commission's funding recommendations will be forwarded to the Council, which will hold a public hearing and make the final decision regarding funding awards at a Council meeting in May or June.

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Conditional Funding Award

Following Council approval, successful applicants will be provided with a “conditional funding award” which includes a reservation of HM funds in the City’s budget for up to one year, while the applicant completes the project design, entitlement and environmental review process, and applies for other funding needed. The term of the conditional funding award may be extended upon applicant request and at the City’s sole discretion. A final funding commitment will be executed only if and after the applicant has obtained required entitlements and met other conditions noted in the conditional funding award, such as securing all other required funding for the project, other than an award of tax credits.

Environmental Review

All funding awards approved by Council will be awarded conditioned upon the applicant’s ability to obtain required land use entitlements (planning permits), which requires environmental review for compliance with the California Environmental Quality Act (CEQA). CEQA reviews are completed by the City after land use entitlement applications are received, and prior to approval of entitlements. If federal funding is also involved, a federal environmental review under the National Environmental Protection Act (NEPA) will be conducted by the agency awarding federal funds, which may be the City or another public agency such as HUD or the Housing Authority. If applicants are unable to secure required entitlements within one year of conditional funding award (or longer period, if extended by the City), the conditional funding award will expire, and applicant may choose to reapply under a subsequent RFP.

Applicants must refrain from undertaking activities, including acquisition, grading, or any construction activity, that would limit the choice of reasonable alternatives between the time of proposal submittal and the City’s completion of its CEQA (and possibly NEPA) environmental review of the project. Applicants are advised to work with their own legal counsel to structure any contemplated option to purchase the project site in such a way as to minimize applicant’s financial risk in the event that applicants are not able to obtain required entitlements and/or adequate funding for the project.

Informational Workshop

Applicants are encouraged to attend the Informational Workshop for more information about the RFP, followed by a question and answer session.

Informational Workshop

Thursday, March 1, 2012

2:00 p.m. – 3:30 p.m.

West Conference Room

Sunnyvale City Hall

456 W. Olive Avenue, Sunnyvale, CA 94087

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Proposal Schedule

The tentative schedule for evaluating and selecting proposals is provided below. **This schedule may change at any time.** Applicants will be notified of any schedule changes via email and updates on the Housing Division home page: *Housing.inSunnyvale.com*

Issue RFP:	February 15, 2012
Informational Workshop:	March 1, 2012
Proposals Due:	April 6, 2012
Commission Hearing:	April 25, 2012
City Council Hearing:	May 15, 2012
Issuance of Conditional Award(s):	July 2012

CONTACT INFORMATION

Questions regarding this RFP may be directed to Suzanne Isé, Housing Officer, by calling 408-730-7250 or by e-mail to *sise@ci.sunnyvale.ca.us*.

CHANGES TO RFP PROCESS

The City of Sunnyvale reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel, suspend or amend the provisions of this RFP at any time. If such an action occurs, the City will notify all applicants, and any other parties requesting such notice, via email and by posting updates on the Housing Division home page of the City's website:

Housing.inSunnyvale.com

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PROJECT SCORING SHEET

Category	Maximum Points
<p>1. Organizational Capacity and Relevant Experience Organization's staff, board members and project team are well qualified to complete and operate project, considering years of relevant experience and number of similar projects completed.</p>	15
<p>2. Project Need Project clearly addresses one or more goals or needs identified in Housing Element. Stated need for project and proposed project are supported by letters from community members or organizations other than applicant. Proposed project would provide significant public benefits, such as increased affordability compared to existing conditions at the site, or addressing an urgent housing need in the community.</p>	15
<p>3. Project Design and Readiness Project design (physical and operational) is cost-effective, feasible, compatible with the neighborhood, and effective in meeting the stated goals and objectives. Applicant is ready and able to apply for permits and other financing upon issuance of conditional funding award. For rehabilitation-only projects: all lien-holders, owners, and/or agencies with an ownership or security interest in the property have reviewed and approved this proposal, and are willing to provide any required written approvals of the proposed rehabilitation project within 90 days of funding award.</p>	15
<p>4. Budget and Financial Management Financial management points based on clean financial audits and a strong record of financial and regulatory compliance at other projects owned or managed by applicant. Budget scores based on realistic cost estimates and budget for development and operation of project, and projected competitiveness of project costs in tax credit applications, etc.</p>	15
<p>5. Percentage of Matching Funds (Leverage) Points awarded based on a straight-line sliding scale, with 1 point for the proposal with the lowest percentage of matching funds, and 20 points for the proposal with the highest percentage, and so on. This percentage is determined by the percent of project cost to be funded by sources other than the requested City funds, according to applicant's proposed project budget.</p>	20
<p>6. Affordability Level Percentage of units in the project that will be reserved for extremely low and very low income households. Points awarded based on a straight-line sliding scale, based on the highest and lowest percentages among those proposals received. Up to 10 points shall be awarded for the percentage of units available to extremely low income households, and up to 10 points for the percent available to very low income households.</p>	20
<p>Total Points Available</p>	100

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APPLICATION FORM

**City of Sunnyvale
Request for Proposals**

Housing Mitigation Funds
for
Affordable Housing Projects



RFP Issued:

February 24, 2012

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PART I: APPLICATION FORM

PROJECT APPLICANT

1. Project Applicant:

Applicant Name (Organization/Agency):

Principal (with Power of Attorney):

Primary Contact Person:

Address:

Phone No.:

Fax No.:

E-Mail:

Federal Tax ID No.:

What is the role of the Applicant in the project? *(check all that apply)*:

- Ownership Entity
- Managing Partner or Managing Member
- Sponsoring Organization
- Developer
- Other (describe):

2. Legal Status of Applicant:

- General Partnership Limited Partnership Corporation
- Joint Venture¹ Nonprofit Organization
- Other (specify):

3. Status of Organization:

- In good standing
- Other (describe):

4. Name(s) of individual(s)/entities who will be General Partner(s) or Principal Owner(s):

¹ If the Applicant is a Joint Venture, a Joint Venture Agreement is required, clearly describing: the roles and responsibilities of each partner. Explain who is the lead partner, or if the responsibilities are approximately equally split between the partners.

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PROJECT DESCRIPTION

5. **Project Name:**

Project Address:

Assessor's Parcel No.:

Census Tract:

6. **Project Type (*check all that apply*):**

- Rental
- Family
- Senior
- Ownership
- Special Needs
- Other (describe):
- SRO/Studio Apartments

7. **Project Activity (*check all that apply*):**

- Acquisition
- Rehabilitation
- Redevelopment
- New Construction
- Expiring Tax Credit/Section 8 Property
- Mixed Income
- Mixed Use
- Other (please specify):

8. **Project Description:**

- No. Units: Commercial/Office Uses (specify):
- No. Res. Bldgs.: Commercial Floor Area:
- No. Stories: Office Floor Area:
- Land Area: Elevators:
- Residential Floor Area: Other Uses (specify):
- Community Room(s)
- Floor Areas:

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9. **Parking:**

- Total Parking Spaces:
- Parking Type:
- Residential Spaces and Ratio:
- Guest Spaces:
- Commercial Spaces and Ratio:
- Office Spaces and Ratio:

10. **Number of Housing Units by Income Category:**

Category	Number of Units	Percentage of Units
0% to 30% AMI (Extremely Low-Income)		
31% to 50% AMI (Very Low-Income)		
51% to 80% AMI (Low-Income)		
Unrestricted		

11. **Unit Amenities (air conditioning, laundry in unit, balconies, etc.):**

12. **Number of Unit Types:**

- Studio _____
- 1 Bedroom _____
- 2 Bedroom _____
- 3 Bedroom _____

PROJECT NARRATIVE

13. **Project Description:**

Provide a brief narrative summary of the proposed project. Please include location, project type (new versus rehab), target population and any unique project characteristics.

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14. **Project Design:**

Provide a description of the project's architectural and site plan concepts and how these concepts address the opportunities and limitations of the site and location.

15. **Green Building Features:**

Describe the green building features that will be incorporated into the project.

16. **On-Site Amenities:**

Describe any on-site amenities, including any project characteristics that address the special needs of the population you intend to serve.

17. **Neighborhood/Off-Site Amenities:**

Describe the property location, neighborhood, transportation options, local services and amenities within 1/4-mile and 1/2-mile of the site.

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- f. Who is the current property owner and what is their address and contact information?

20. **Site Information:**

- a. Total square footage of site:
- b. Existing uses on the site and the approximate square footage of all structures:

- c. Planned use of on-site existing structures:
 Demolish Rehabilitate
 Other (describe):
- d. Provide the following information for each on-site building to be retained as part of this project:

Square Footage:	Date Built:	No. of Stories:
-----------------	-------------	-----------------
- e. Provide a brief description of the condition of any buildings to be rehabilitated.

- f. Describe unique site features (Heritage trees, parcel shape, etc.).

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g. Identify problematic site conditions (high noise levels, ingress/egress issues, etc.).

h. Is the site in a floodplain? Yes ____ No ____ Map used:

If yes, type of floodplain (number of years):

i. Describe adjoining land uses:

West:

East:

North:

South:

21. **Zoning:**

a. What is the current zoning of the project site?

b. Is the proposed project consistent with the existing zoning status of the site?

____ Yes ____ No (explain)

c. Indicate any discretionary review permits required for the project (Special Development Permit, Design Review Permit, etc.).

d. If rezoning is required, identify the requested zoning district for the project.

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22. **Community Priorities:**

- a. Explain how this project meets the objectives of the housing goals and priorities identified in this RFP and the goals and objectives of the Housing Element of the City’s General Plan.

PROJECT FUNDING

23. **Project Budget:**

- a. City Funds Requested: \$ _____ City Funds Per Assisted Unit: \$ _____
- b. Total Project Cost: \$ _____ Total Cost Per Assisted Unit: \$ _____
- c. Other Sources of Permanent Financing (not including private bank loans):

Type of Funding	Amount
___ 9% Low-Income Housing Tax Credits	
___ 4% Low-Income Housing Tax Credits	
___ CalHFA/Conventional Lender	
___ Tax-Exempt Multi-Family Bonds	
___ Multi-Family Housing Program (MHP)	
___ Affordable Housing Program (AHP)	
___ County of Santa Clara, Office of Affordable Housing	
___ Santa Clara County Housing Trust	
___ Other:	

- d. How will the requested City funding be used?

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26. Describe three projects completed in the last ten years that are similar to the proposed project and provide photographs of each project:

a. Project 1

Name of Project:

Location:

Number of Units:

Type of Development (senior, family, etc.):

Name of Project Manager:

Number of Stories:

Unit Types (studio, 1-bedroom, etc.):

Type of Construction:

Project Amenities:

Entitlement Date:

Occupancy Date:

Funding Sources:

b. Project 2

Name of Project:

Location:

Number of Units:

Type of Development (senior, family, etc.):

Name of Project Manager:

Number of Stories:

Unit Types (studio, 1-bedroom, etc.):

Type of Construction:

Project Amenities:

Entitlement Date:

Occupancy Date:

Funding Sources:

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c. Project 3

- Name of Project:
- Location:
- Number of Units:
- Type of Development (senior, family, etc.):
- Name of Project Manager:
- Number of Stories:
- Unit Types (studio, 1-bedroom, etc.):
- Type of Construction:
- Project Amenities:
- Entitlement Date:
- Occupancy Date:
- Funding Sources:

27. **Personnel:**

List the names of key members of the applicant's development team, their titles, responsibilities and their years of experience in affordable housing:

Project Staff	Name	Role in Proposed Project	Years of Hsg Devt Experience	Years with this Developer
Project Manager				
Director of Real Estate Development				
Executive Director				
Chief Financial Officer				
Other				
Other				
Other				

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28. **Other Team Members:**

Indicate which of the following development team members have been selected and identify them:

Developer, if Different from Applicant

Architect(s)/Engineer(s)

Attorney(s) and/or Tax Professionals

Property Management Agent

Financial and Other Consultant(s)

General Contractor

Investor

29. **List all other participants and affiliates (people, businesses and organizations) proposing to participate in the project:**

Name

Address

30. **Property Management:**

Describe how the property will be managed, including the number of staff, locations and management office hours.

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31. If the project will be managed by a company other than the project applicant, describe the project applicant's role in the ongoing management of the project and resolution of management issues.

32. List the names of key property management staff, their titles, responsibilities and their years of experience managing affordable housing:

Name	Title (e.g., project manager, intake staff)	Job Responsibilities	Years Experience in Affordable Housing

33. Explain your marketing strategy and tenant selection process, and the establishment and management of waiting lists.

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34. Scoring

Please provide a description of your proposal's attributes in each of the categories in the table below. You may attach up to one page of additional supporting material for each category. For categories 5 and 6, simply fill out the blanks provided. The category descriptions and maximum points available are provided in the "Scoring Sheet" on page 8 of the RFP.

Category	
1. Organizational Capacity and Relevant Experience	
2. Project Need	
3. Project Design and Readiness	
4. Budget and Financial Management	
5. Percentage of Matching Funds (Leverage)	
Total Project Cost* as stated in Project Budget:	\$ _____
* Include capital costs only, not long-term operating costs	
Amount of City HM Funds Requested:	\$ _____
Amount of Matching Funds (<i>Project Cost – City HM Funds Requested</i>) =	\$ _____
Percentage of Matching Funds (<i>Matching Funds / Project Cost</i>) =	_____ %
6. Affordability Level	
Total # of Units in Project: _____	
# units affordable to ELI households _____ = _____ % of total units in Project	
# units affordable to VLI households _____ = _____ % of total units in Project	

Please round all numbers provided to the nearest whole number or percentage (i.e., 15%, not 15.34%).

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Applicant Certification

I certify that the information submitted in this application and all supporting materials is true, accurate and complete to the best of my knowledge. I acknowledge that if facts and/or information herein are found to be misrepresented, it shall constitute grounds for disqualification of my proposal.

I further certify that all of the following statements are true, except if I have indicated otherwise on this certification:

- a. I have not sold any of the projects listed on the "10-Year Projects" list;
- b. No mortgage on a project listed on this application has ever been in default, assigned to the government or foreclosed, nor has mortgage relief by the mortgagee been given;
- c. I have not experienced defaults or noncompliance under any contract or regulatory agreement nor issued IRS Form 8823 on any Low-Income Housing Tax Credit (LIHTC) project on the "10-Year Projects" list;
- d. To the best of my knowledge, there are no unresolved findings raised as a result of Agencies' audits, management reviews or other investigations concerning me or my projects for the past ten years;
- e. I have not been suspended, debarred or otherwise restricted by any state agency from participating in the LIHTC program or other affordable housing programs; and
- f. I have not failed to use state funds or LIHTC allocated to me in any state.

Statements above (if any) to which I cannot certify have been deleted by striking through the words with a pen. I have initialed each deletion (if any) and have attached a true and accurate signed statement (if applicable) to explain the facts and circumstances which I think helps to qualify me as a responsible principal for participation in this RFP.

Applicant Name(s)

Signature/Date

Print Name and Title

This application and all supporting material are regarded as public records under the California Public Records Act.

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Part II: REQUIRED ATTACHMENTS

The following supporting materials must be attached to each proposal:

1. Cover Letter

Provide a brief summary of the proposed project and discuss your agency's qualifications and why your proposal should be selected for funding. The cover letter must be on the applicant agency's letterhead and signed by a person authorized by the agency to submit the proposal.

2. Evidence of Site Control

By the time the proposal is submitted, the developer must have control of the proposed project site, consisting of either fee title ownership, a long-term lease, an option to purchase, or similar legally enforceable means of site control. The developer must show that if the proposal is selected, site control can be maintained at a minimum until a conditional funding award is made and, if possible, through completion of the entitlement process, until the property can be acquired. As evidence of site control, one of the following documents must be submitted with the application:

- Purchase agreement, with an escrow period sufficient to hold the property until the anticipated date of purchase.
- Option to purchase or lease, binding on seller or landlord, including evidence that the option period extends to or is renewable until the anticipated date of purchase.
- A long-term lease agreement with a term of not less than 55 years.
- Executed land sales contract or other enforceable agreement for acquisition.
- A grant deed to the developer
- Other commonly accepted and legally enforceable evidence of the applicant's site control.

Land acquisition costs must be justified and represent a competitive market price. Prior to closing on any City funding, the City may commission its own appraisal to confirm property value.

3. Appraisal

An appraisal is required that has been completed within six (6) months of the application deadline. The appraisal must conform to the Uniform Standards of Professional Appraisal Practice and the appraisal requirements of the Appraisal Institute's Regulation 3. All appraisers must be licensed and certified by the State of California. The appraisal must include a separate as-is value for any improvements to be retained, or a demolition cost for any to be removed. Site value must be as-is, with no assumptions such as a future rezoning or environmental cleanup.

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4. **Preliminary Title Report**

A preliminary title report dated within thirty (30) days of the application deadline.

5. **Ten-Year Projects List (Do not include projects listed under item 26 of application form)**

For each project the applicant has completed in the past ten (10) years, provide the following information on a separate attachment, in a consistent format. If more than six (6) projects have been completed, provide information for the last six (6) projects.

- Name of Project:
- Location (street address, city, county, zip code):
- Type of Development (senior, family, etc.):
- Number of Units:
- Mix of Unit Sizes:
- Number of Affordable Units and Level of Affordability:
- Number of Stories:
- Type of Construction:
- Project Amenities:
- Total Project Cost:
- Funding Sources and Amounts:
- Entitlement Date:
- Occupancy Date:
- Name of Project Manager:

6. **Rehabilitation Scope of Work, Property Inspection and Cost Estimate**

If the project involves rehabilitation, include the following information:

- Preliminary Scope of Work;
- A third-party physical needs assessment, property inspection report or predesign report;
- A preliminary independent cost estimate; and

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- Basic unit configurations/plans.

7. Relocation Plan

If the project involves temporary relocation (less than 12 months) of current residential or commercial tenants, please provide a narrative Temporary Relocation Plan and Relocation Budget. Projects requiring permanent relocation of residential or business tenants are not eligible for City funding. The Temporary Relocation Plan should include:

- A description of the applicable relocation requirements and relocation benefits to be provided;
- A reasonable cost estimate of the relocation expenses;
- Identification of the number of households or businesses to be displaced;
- The current rent roll for the existing structures on site; and
- A description of the proposed advisory services that will be provided to the displaced households/businesses.

8. Community Outreach Plan

Applicants must submit a plan for conducting community outreach to neighbors of the proposed development and interested community groups if the project receives a conditional funding award. The Outreach Plan should describe how the developer intends to build support for the project and address community concerns. The Outreach Plan should explain how the applicant intends to address and resolve anticipated community or neighborhood concerns.

9. Development Schedule

Detailed project schedule, identifying all major milestones. The schedule must include major milestones for the development approval process, purchase of the property, community outreach process, financing applications, approvals and closings, project construction and lease-up.

10. Resident Services Plan

A Resident Services Plan that describes services to be provided to tenants on site (i.e., child care, computer training, etc.) and demonstrates how supportive and social services for the tenant population will be provided and funded long-term. Projects with units set aside for formerly homeless households or special needs groups must provide sufficient supportive services for the target population and show sufficient funding commitments for services.

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11. Management Companies

If the proposal includes the use of a management company other than the applicant, provide detailed information on that company, including:

- References;
- Total number of projects and units managed;
- Listing of projects managed and their locations,
- Number of company employees; and
- Management philosophy.

12. Marketability of Mixed-Use Projects

Proposals for development of housing with commercial space must include evidence of demand for commercial/retail and marketability of space by submitting a market study or a survey of comparables and vacancy rates or have at least half of the commercial/retail space preleased.

13. Detailed Development Budget

Provide a detailed development budget that includes all anticipated funding sources and provides a breakdown of all development costs. State whether the budget assumes payment of federal and/or State prevailing wages and if so, which funding sources require payment of prevailing wages. The following requirements should be considered in preparing the budget:

- Construction Contingency

The City requires a 10 percent minimum construction contingency, which should be factored into the development budget. For projects involving extensive rehabilitation work, a 20 percent or greater construction contingency may be required.

- Insurance and Bonding Requirements

The selected agency will be required to comply with the City's insurance and bonding requirements for construction contracts and general contractors, which should be factored into the project budget. These requirements are available upon request from the City.

14. Detailed Operating Budget and 30-Year Pro Forma Analysis (Rental Projects Only)

For rental proposals, please submit a detailed operating budget and 30-year pro forma analysis based on the assumptions described below:

- Five percent (5%) annual vacancy/collection loss for family and senior projects.

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- Ten percent (10%) annual vacancy/collection loss for efficiency studio, SRO or special needs projects.
- Three and one-half percent (3.5%) annual increase for expenses (other than property taxes and replacement reserve deposit).
- Two and one-half percent (2.5%) annual increase for income.
- Tenant utility allowances should be based on the Housing Authority of Santa Clara 2010 Utility Allowance Table available at www.hacsc.org/p_rentlimits.php.
- If Section 8 or other rental or operating assistance is assumed, an additional operating pro forma should be included that assumes the contract will expire after its initial term. Applicants are encouraged to budget transition reserves due to the risk that rental assistance contracts may not be renewed.
- Partnership/Asset Management fees (for tax credit projects only) may not exceed a combined total of \$25,000 annually but may increase by 3 percent per year.
- The interest rate on the City's funds for low-income housing tax credit projects will be set on a case-by-case basis. The interest rate is generally around 3 percent simple interest per annum, where there is a financial benefit to the project. Payments of interest and principal will be due from excess cash flow from operations after payment of operating costs, senior debt, reserves and deferred developer fee. To the extent payments cannot be made, they will be deferred for the term of the loan. All loans are due in full on sale, refinancing or transfer (except to a related entity, such as a limited partnership, subject to City approval).

The pro forma should clearly list all assumptions and include information on all debt sources, including term, interest rate information and name of intended debt providers.

The pro forma should also include information on the number of units, sizes, rent and utility levels, targeted levels of affordability and basis of rent level calculations.

15. Developer Financial Reports

Provide independent audit reports for the last three (3) years, including copies of management letters. This should include complete financial statements, including balance sheets, income statements and statement of cash flows with notes for the last three (3) years.

16. Experience and References

Provide résumés and project experience for all key staff working on the project, including, but not limited to, principals, project manager, project staff and financial officer. Indicate the level of experience of the project manager with projects similar to the proposal. Provide at least three (3) references from the city or county staff involved with the projects completed in the last six (6) years.

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17. **Partnership Agreement or Corporate Articles and Bylaws (if applicable)**

18. **501(c)(3) Letter of Determination from IRS (if applicable)**

19. **Photos**

Attach recent, clearly labeled photos of the project site and surrounding area, including at least one street view and one aerial view.

20. **Site Plan**

Attach a simple site plan (black and white line drawing) showing the property boundaries and general footprint of the structures to be developed or rehabilitated.

21. **Board of Directors**

Provide the name and city of residence of each member of the developer's Board of Directors.