



**City of Berkeley
Housing Trust Fund Application
2016 AFFORDABLE HOUSING PREDEVELOPMENT
NOTICE OF FUNDS AVAILABLE**

April 18, 2016

The City of Berkeley is requesting applications for predevelopment funding from the City's Housing Trust Fund. The City is seeking to develop a pipeline of affordable housing development projects. The City currently has nearly \$1.2 million in its Housing Trust Fund. Funding is available for predevelopment costs associated with affordable housing development including new construction, acquisition, and rehabilitation. Applicants are encouraged to consult the [City of Berkeley's 2009 Housing Trust Fund Guidelines](#), as amended with new labor-related requirements on April 5, 2016, for detailed information regarding City requirements.

The application consists of a checklist of items, an Excel spreadsheet, several narrative responses and a certification of applicant. Applicants must submit one hard-copy original application and an electronic copy on CD or USB flash drive. The Excel file must be submitted as a functioning Excel file (not a pdf). Please do not include exhibits larger than letter size (8 ½ x 11").

SUBMIT PROPOSALS TO:

City of Berkeley Department of Health, Housing & Community Services
Housing Services Unit, Attn: Amy Davidson
2180 Milvia Street, 2nd Floor, Berkeley, CA 94704

If delivering a proposal in person, turn right as you exit the elevator area to reach reception.

Note: The office is open to the public M-F,
8:00 am to 12:00 noon and 1:00 to 5:00 pm.

Proposals submitted by **12:00 NOON on MONDAY, MAY 23rd** will be evaluated as group before subsequent applications are considered.

Please pay careful attention to all requested items contained in this Notice of Funds Available (NOFA) application. Incomplete proposals which do not comply with the conditions of this NOFA may be considered non-responsive. Proposers are required to respond to all questions and provide all information requested in the NOFA. Applicants responding to this RFP do so at their own expense. The City will not reimburse any cost incurred by any Applicant responding to this NOFA. The act of submitting a proposal is a declaration that the proposer has read the NOFA and understands all the requirements and conditions.

Updates to the RFP

City staff cannot respond to questions individually, but will post online responses to questions received. Questions submitted to Amy Davidson at adavidson@cityofberkeley.info by Thursday, May 12 will be answered before May 23.

Responses and any addenda will be available at:
<http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=6532>.

In addition to being posted online, updates will be announced via email to interested parties who have submitted the registration form on page 3.

Review Process

Once applications are received, staff will review the applications, then work with a subcommittee of the Housing Advisory Commission on funding reservation recommendations, using the scoring criteria in Exhibit C. The Housing Advisory Commission's Housing Trust Fund subcommittee's recommendations will go to the full Housing Advisory Commission, and then to City Council per Resolution 67,425-N.S., adopted on April 5, 2016. Staff expect the package of funding recommendations to go to the Council after it returns from its summer recess (July 20 to September 12).

Once the City Council approves a funding reservation, staff will work with the City Attorney's Office and the borrower on loan documents, which typically include:

- Development loan agreement;
- Deed of trust; and
- Promissory note.

City's Rights to Determine Process and Actions Taken

The City reserves the right at any time, for its own convenience, and in its sole and absolute discretion, to modify or suspend any and all aspects of the selection process, including, but not limited to, this NOFA. The City further reserves the right, in its sole and absolute discretion, to request additional information from any applicant; waive any defects as to form or content of the NOFA or any other step in the selection process; reissue the NOFA; and to negotiate with any, all, or none of the applicants. The City retains the right to award all or parts of this contract to several bidders, to not select any bidders, and/or to re-solicit proposals. Funding award decisions will be made solely by the City of Berkeley. The City is in no way obligated to select any application over another, and may, in its sole discretion, reject any and all applications.

Exhibits

Exhibit A: Predevelopment Application Checklist and Tabs 1 - 8 (Excel file)

Exhibit B: Predevelopment Application Narratives and Certification

Exhibit C: Predevelopment Application Evaluation Criteria

HOUSING TRUST FUND NOFA REGISTRATION FORM

Return to:

Amy Davidson
HH&CS – City of Berkeley
2180 Milvia Street, 2nd Floor
Berkeley CA 94704
adavidson@cityofberkeley.info

Submit this form, with the information requested, via email or U.S. mail. Registration is not required, but only people who have registered will receive email notice of updates posted online.

Project: _____

Developer Name: _____

Contact Person: _____

Phone: _____

Email: _____

Date: _____



**City of Berkeley
Housing Trust Fund Application
PREDEVELOPMENT APPLICATION - CHECKLIST**

Organizational Information

- Articles of Incorporation*
 - Bylaws*
 - Proof of non-profit status*
 - List of current board members and officers*
 - Audited Financial Statements (2 years)
 - Joint Venture or Partnership Agreement, if applicable
 - List any potential conflicts of interest
- Note: CHDOs certified in 2015 do not need to submit the items with a * again.*

Project Information

- Project Profile with applicant and project info, proposed unit mix (Tab 2)
- Capital Needs Assessment, if available

Developer/Development Team Experience

- Identify Development Team Members (Tab 3)
- Similar projects completed within last 5 years. (Tab 4)
- Construction Management Experience (Tab 5)
- Property Management Experience (Tab 6)

Site Information

- Site Photos (at least 2)
- Status of Site control (with supporting documents, i.e. grant deed, lease, option agreement)
- Preliminary Title Report, if available
- Appraisal, if available
- Environmental Reports, if available
- Use Permit, if available

Project Schedule (Tab 7)

- Predevelopment and Development Project Milestones

Project Financing

- Sources and Uses (Tab 8)
- Evidence of Financing Commitments, if available

Application Narratives (see Word file)

- Project Summary
- Consistency with Local Needs and Priorities
- HTF Predevelopment Request
- Other Predevelopment Funding
- Relocation

2. Project Profile

Applicant Information

Applicant Name _____
 Contact Person _____
 Address _____
 Phone Number _____
 Email Address _____

Project Information

Project Name _____
 Address _____
 Gross Residential SF _____
 Gross Commercial SF _____
 Property Manager _____
 Service Provider _____

Predevelopment Fund Request

Housing Trust Fund Predevelopment Loans have a 5-year term and carry 3% interest. The loan will be secured against the property, if or when the property is owned by the applicant.

Requested Amount _____

Unit Affordability

Please review the Housing Trust Fund Guidelines for the City’s affordability requirements. Complete the following tables with the best available information. A total of 60% of all units must be income restricted 40% of all units to 60% of Area Median Income (AMI) or lower, and 20% of all units to 30% of AMI or lower. Assisted units in a mixed-income project must be reasonably dispersed throughout the project, generally comparable to the unassisted units and have full access to common areas and facilities.

Unit Affordability Level	Total # of Units	SRO	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Above 80% of AMI							
60-80% of AMI							
50-60% of AMI							
30-50% of AMI							
Below 30% of AMI							
Total	0	0	0	0	0	0	0

Proposed Occupancy	# Units
Family	
Seniors/Older Adults	
Transition Aged Youth	
HIV/AIDS	
Physical Disability	
Homeless	
Other	
Total	0

Specify: _____

3. Development Team (Includes Developer Staff as well as Technical Consultants)

Name	Title	Company Name	Address	Phone	Email	Role in Project	Years of Relevant Experience	% Time Available for Project (% of FTE)

4. Developer Experience - Projects Completed Within the Last 5 Years

Provide a list of projects completed in the last 5 years that includes developments similar to the proposed project. To be eligible, applicants must demonstrate either (a) completion of at least 2 projects with a total unit count of 25 completed within the last 3 years, or (b) completion of at least 3 projects within the last 5 years with at least a total unit count of 35 units. See details about eligible applicants in the Housing Trust Fund Guidelines.

Project Name	Addresses	New Construction /Renovation	Building Type	Mixed Use?	SF of Each Use	Rental/ Ownership	# Residential Units	# Affordable Units	Population % AMI Served	Completion Date	Total Development Cost	Sources of Funds	Project Over Budget?*

*Please provide a brief explanation for any project that was over budget.

5. Construction Management Experience - Projects Completed Within the Last 2 Years

Complete the following table for all projects completed by applicant within the past two years. See details about construction management requirements in Section VI of the Housing Trust Fund Guidelines as revised in 2016. Please note that all projects funded through the Housing Trust Fund are subject to state prevailing wages.

Project Name	Address	Completion Date	General Contractor	State Prevailing Wages Paid?	Davis-Bacon Prevailing Wages Paid?	# Registered Apprentices*	Training Program(s) Providing Apprentices	Unlapsed Mechanics Liens? **	Unsatisfied California Labor Commissioner Judgements? **

*If Registered Apprentices were used, please provide documentation that the ratios of journeymen to apprentices were consistent with California Labor Code section 1777.5.

**Please briefly describe the status of any unlapsed mechanics liens or unsatisfied CA Labor Commissioner judgements.

6. Property Management Experience - Past 3 Years

For the property manager, provide a list of projects managed currently/in the last three years. At a minimum, it must include and identify the projects meeting the Eligible Entities standards in Section III. Eligibility of the Housing Trust Fund Guidelines.

Project Name	Address	Date Placed in Service	# Residential Units	# Affordable Units	% AMI	Population Served	Special Needs Population	On Site Services?	Service Provider

7. Project Schedule

State the planned month and year for each of the activities below:	Start	Finish
1. Acquisition, Survey Engineering Activities		
2. Use Permit Application		
3. Pre-development Milestones (add more rows as needed)		
a.		
b.		
c.		
4. Tax credit/other funding deadlines (add rows for each funding source)		
5. Construction loan closing		
6. Site Clearance		
7. Building Permit		
8. Construction Activities		
9. Marketing and Sales or Lease-up		

Are there any known barriers to closing a predevelopment loan within 6 months of predevelopment funding approval? Yes No

If yes, please explain:

8. Sources and Uses

Predevelopment Budget	
Sources	
City of Berkeley HTF	
<i>Add lines as needed.</i>	
Total Predevelopment Sources	\$ -
Uses	
i.e. market study, CNA, architect, etc.	
<i>Add lines as needed.</i>	
Total Predevelopment Uses	\$ -

Development Budget Note:

Please provide your best estimates based on current information. City acknowledges that budgets will change during the predevelopment process.

Preliminary Development Budget	
Sources	
Total Development Sources	\$ -
Uses	
Acquisition	
Rehabilitation Costs	
Commercial/Retail Space Construction	
New Construction	
Construction Contingency Cost	
Architectural Fees	
Survey and Engineering Costs	
Construction Loan Interest and Fees	
Permanent Financing Costs	
Legal Fees	
Appraisal Costs	
Reserves	
Other:	
TCAC Applic/Alloc/Monitoring Fees	
Environmental Audit	
Local Permit fees	
Permit Processing Fees	
Marketing	
Relocation Expenses	
Furnishings	
Market Study	
Other - General / Admin. (Audit)	
Developer Fee	
Outside Management Const. Oversight	
Commercial Costs	
Total Development Uses	\$ -



City of Berkeley
Housing Trust Fund Application
PREDEVELOPMENT APPLICATION - NARRATIVES

Please provide narratives for the following in the predevelopment application.

1. Project Summary: Describe the proposed project, including:
 - a. Existing conditions
 - b. Status of any outstanding City loans on the property
 - c. Identification of local approvals required for development
 - d. Scope of work describing the proposed activities
 - e. Population(s) to be served
 - f. Plan for neighborhood outreach

2. Consistency with Local Needs and Priorities: Describe how the proposed project addresses local needs and priorities referenced in City plans and policies such as the Housing Element, Consolidated Plan, and the Housing Trust Fund Guidelines. In particular, describe how the project addresses the following priorities:
 - a. Sustainability
 - i. Proximity to BART and/or transit lines with frequent service
 - ii. Neighborhood amenities
 - iii. Incorporation of sustainable building materials and methods
 - b. Other local needs and priorities
 - i. Reduction in chronic homelessness
 - ii. Units for extremely-low income households (<30% AMI)
 - iii. Universal design
 - iv. Promotion of diversity in the City's affordable housing inventory (in terms of unit size, population served, tenure, etc.)

3. HTF Predevelopment Request: If you are requesting a Housing Trust Fund predevelopment loan in excess of \$50,000, please explain why the higher amount is needed at this time.

4. Other Predevelopment Funding: Have you applied for or obtained any other sources of predevelopment funding for the proposed project?

5. Relocation: Will the project require residential or commercial relocation? If so, are you working with a relocation consultant?

Certification of Applicant

Applicant hereby certifies:

1. Truth of Application

That the information submitted in the project application and any supporting materials is true, accurate, and complete to the best of my knowledge. Applicant acknowledges and understands that if facts and/or information herein are found to be misrepresented, it will constitute grounds for the default of the funding from which application is being made.

2. Choice-Limiting Actions During NEPA Review Are Prohibited

That the Applicant acknowledges that any choice limiting actions or actions that have environmental consequences, such as site acquisition, demolition, or construction, will not be undertaken during the period between application submittal and the completion of the City's environmental review process.

3. Applicant Will Abide by Program Rules

That if the Applicant is successful in receiving funds as a result of this Application, it will abide by all applicable rules and regulations governing the program, including the Housing Trust Fund guidelines.

4. Applications are Public Records

That the Applicant acknowledges that the information submitted as part of this application may be made available to the public pursuant to a request under the California Public Records Act.

5. Material Changes to Project

That the Applicant acknowledges that any material changes to the predevelopment loan scope of work not disclosed to and approved by the City may result in termination of funding for the project. Material changes may require Housing Advisory Commission and City Council review.

Authorized Signature: _____

Name: _____

Date: _____



City of Berkeley
Housing Trust Fund Application
PREDEVELOPMENT APPLICATION – NOFA EVALUATION
CRITERIA

Developer Capacity (30 points):

Has the applicant demonstrated the capacity to complete both the proposed predevelopment activities and the proposed development?

Award a higher point score to projects in which the developer has:

- *Successfully completed one or more similar projects within the last 5 years;*
- *A demonstrated successful track record with sources the same or similar to those proposed;*
- *Secured a property manager who exceeds the minimum threshold qualifications (managed at least one project for 24 months);*
- *If applicable, has a history of compliance with Housing Trust Fund requirements;*
- *Demonstrated that its staff have sufficient capacity and experience necessary to complete the predevelopment phase;*
- *Submitted a complete, internally consistent funding application, and has been responsive to questions and requests for information; and*
- *Demonstrated organizational financial capacity*

Feasibility (20 points):

At the end of the predevelopment phase, will the developer have a full feasibility analysis? Are there any major concerns or potential barriers with the feasibility of the proposed project at this stage?

Award a higher point score to projects which:

- *Have identified local approvals necessary for development, and have a realistic plan for acquiring them;*
- *Estimate predevelopment and permanent schedules that are reasonable considering the approvals required;*
- *Have reasonable predevelopment costs;*
- *Have identified sources of financing adequate to complete the predevelopment phase;*
- *Have a predevelopment scope that reflects the project's anticipated needs in terms of accessibility, relocation, capital needs, energy analysis, etc.; and*
- *Includes a permanent development proposal without substantial feasibility concerns at this stage, knowing much more predevelopment and analysis may be required.*

Leveraging (5 points):

Has the developer tried to leverage other sources for predevelopment activities? Have they been successful?

Award a higher point score to projects which:

- *Demonstrate they have tried to obtain other sources of predevelopment financing.*
- *Have been successful in obtaining other sources of funding.*

Local Needs and Priorities (30 points):

How will the proposed project benefit the City?

Award a higher point score to projects which include the following:

Sustainability:

- *Are close to a BART station and/or transit lines with frequent service;*
- *Are within walking distance of more neighborhood amenities such as grocery stores, parks, libraries, etc.*
- *Will incorporate sustainable building materials and techniques.*

Other local needs and priorities:

- *Address chronic homelessness;*
- *Provide units for extremely low income households (at or below 30% of median);*
- *Incorporate Universal Design;*
- *Address local priorities as contained in plans adopted by the City of Berkeley; and/or*
- *Promote diversity in the City's affordable housing inventory (in terms of unit size, population served, tenure, etc.).*

Readiness to Proceed (15 points):

Is the developer ready to begin predevelopment work?

Award a higher point score to projects which:

- *Have site control;*
- *Have all their predevelopment financing secured, except for a gap that can be filled with City HTF funds; and*
- *Will be prepared to close the predevelopment loan within 6 months of funding approval; and*
- *Estimate a construction start within 5 years of predevelopment loan closing.*