

**CITY COUNCIL MEETING
TUESDAY, MARCH 20, 2018**

PRESENTATION

ITEM 7 – LB 18-012

**ADOPTION OF A RESOLUTION AUTHORIZING
THE CITY MANAGER TO ISSUE A NOTICE OF
FUNDING AVAILABILITY FOR NEW
CONSTRUCTION OF AFFORDABLE HOUSING**



Notice of Funding Availability (NOFA)

Christina Morales, Housing Manager

March 20, 2018

PRESENTATION FOCUS

- Purpose of NOFA
- Review NOFA Parameters
- Seek Council Feedback

BACKGROUND

- Jan 31, 2017: Council Work Session to Review Housing affordability strategies and resources;
- Dec. 12, 2017: Council Work Session – Preliminary direction on NOFA criteria, including:
 - Project Readiness,
 - Leverage A1/City funds with other sources;
 - Location attributes: Proximity to major transit stops & other amenities;
 - Serve Housing Element-identified target populations (special needs, seniors, persons with disabilities, single-parents, large families & homeless) and
 - A1-identified populations (veterans, emancipated youth, and re-entry individuals
 - Income target: Meet or Exceed A1-required units: affordable to extremely low-income households 20% at 20% AMI

PURPOSE OF THE NOFA

To ensure that the award of local housing funds:

- are based on the City's priorities;
- are made to affordable housing developers in an amount necessary to make the projects feasible; and
- maximize the City's local housing funds to leverage County, State and private financing sources.

NOFA Parameters

- Eligible projects
- Threshold criteria
- Scoring criteria
- Evaluating program costs

Threshold vs. Scoring Criteria

Threshold Criteria

Establishes required project attributes

Scoring Criteria

Evaluates to what degree a project meets the City's established priorities or exceeds threshold requirements

ELIGIBLE PROJECTS

- Include new construction of rental, supportive or transitional affordable housing.
- Affordable ownership projects have been excluded because these projects will not need local matching funds to be eligible for the County Measure A1 Bond funding.

NOFA THRESHOLD CRITERIA

- Developer experience
- Meeting Alameda County's Policies for Measure A1 funds
- Serve extremely low-income households at 20% AMI (based on County requirements)
- 30% of the units must be affordable
- Projects with 10 units or more

NOFA THRESHOLD CRITERIA

- Meet City Maximum Loan amount-Greater of:
 - Planning and permit fees
 - 10% of the Total Development Costs
- Meet County Maximum loan for Measure A1 requested funds
- Hosting at least 1 community meeting
- Providing documents required to assess feasibility

NOFA SCORING CRITERIA

Based on Council feedback:

- Readiness
- Leveraging
- Target Population and Project Attributes
 - Income targeting
 - Unit size
 - Units for people with special needs

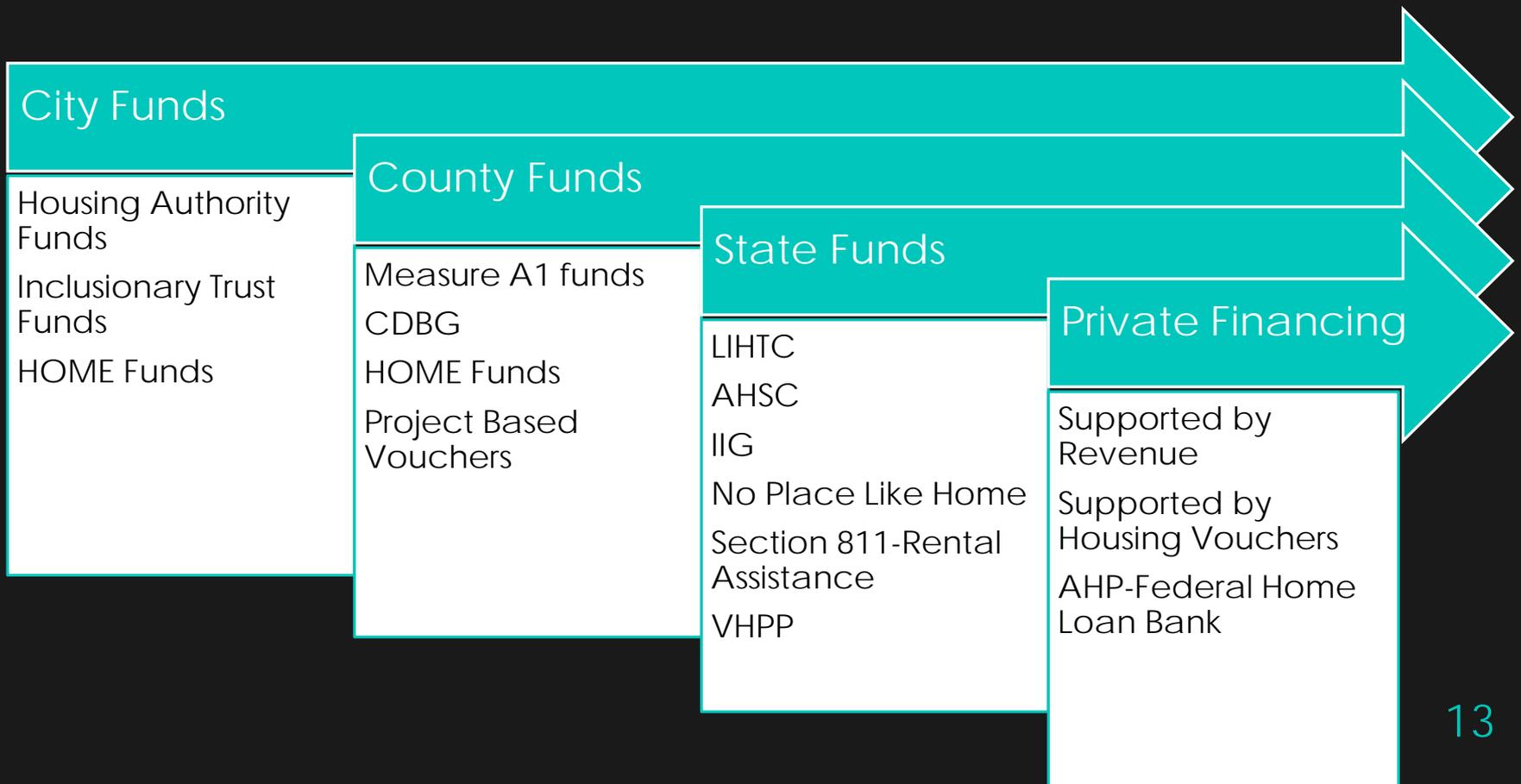
NOFA SCORING CRITERIA

- Permanent Supportive Housing Units for Homeless Individuals
- Location
 - Proximity to public transportation
 - Proximity to grocery stores
- Developer Experience
- Sustainability
- Innovation

NOFA SCORING CRITERIA- LEVERAGING

- City funds demonstrate local support which is a requirement for some other funding sources.
- Scoring for leveraging encourages developers to identify all other funding sources available to the project. The greater the outside funding sought, the higher the score.
- Minimizing the amount of City funds invested in each project and enables the City to assist more projects.

NOFA SCORING CRITERIA- LEVERAGING AND OTHER FUNDING



EVALUATING PROJECT COSTS

- Cost saving measures can have trade-offs
- Contracting requirements that provide community benefit increase costs
- Staff will evaluate projects based on a comparative analysis

NEXT STEPS

TIMELINE

Release NOFA	April 15, 2018
Deadline for Submission	May 31, 2018
Complete Project Review & Ranking	June 30, 2018
Return to Council for Funding Approvals	July 24, 2018

Questions

Question	Proposed Criteria
Should the City require more affordable units?	30% of total units
Is the minimum number of units high enough?	At least 10 units
Is the maximum loan amount too high or too low?	Greater of: <ul style="list-style-type: none">• 10% of TDC or• planning & permit fees
Are there other community amenities that you think the projects should be close to?	Proximity to transportation and grocery store.
Should special target groups be identified or is broad category sufficient?	Scoring based on general special needs criteria. 16

Questions & Discussion

