

---

**City of Oakland  
Housing and Community Development Department**

250 Frank Ogawa Plaza, 5<sup>th</sup> Floor  
Oakland, CA 94612  
Ph: (510) 238-3502

**December 17, 2020**

**Notice of Funding Availability**  
**for Acquisition & Conversion to Affordable Housing (ACAH)**

*Permanent Affordability Program Set-Aside for  
Community Land Trusts/Limited Equity Housing Cooperatives*



**Bond Measure KK Acquisition & Conversion to Affordable Housing  
(ACAH) Program Notice of Funding Availability (NOFA)**

*Permanent Affordability Program Set-Aside for  
Community Land Trusts/Limited Equity Housing Cooperatives*

**Pre-Bidders' Conference at 4:00 pm on Monday, December 21, 2021**

**CDS Electronic Application Training at 11:00 am on January 6, 2021**

**Applications Due by 4:00 pm on Friday, January 29, 2021**

---

On behalf of the City of Oakland, the Housing and Community Development Department (HCDD) is pleased to release the following Notice of Funding Availability (NOFA) for the Acquisition & Conversion to Affordable Housing (ACAH) Program. This NOFA pertains to the *Permanent Affordability Program for Community Land Trusts/Limited Equity Housing Cooperatives* subprogram.

On November 8, 2016, City of Oakland voters approved Bond Measure KK to fund affordable housing projects and programs and infrastructure improvements. The program guidelines set forth below are in accordance with the City's Affordable Housing and Infrastructure Bond Law adopted by Oakland City Council in City Resolution 13403 C.M.S., dated November 29, 2016, and codified in Chapter 4.54, Article IV, of the Oakland Municipal Code.

In addition, through the adoption of City Ordinance No. 13119 C.M.S. and its derived OMC 2.29.170.1., the City of Oakland made a commitment to intentionally integrate, on a Citywide basis, the principle of "fair and just" in all the City does in order to achieve equitable opportunities for all people and communities. Offering housing to those most impacted by racial disparities, that has been built by developers from these communities will help advance the City's mandate.

Furthermore, on May 19, 2020, the Oakland City Council adopted City Ordinance No. 88135 C.M.S., which authorized the City to accept Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to provide grants to prevent, prepare for and respond to Coronavirus. The CARES Act funds are being provided through Community Development Block Grant Coronavirus funding (CDBG-CV). The use of CDBG-CV for the acquisition and conversion of existing properties to affordable housing is a measure which will expand the availability of restricted units for low-income residents who have been impacted by the Coronavirus global health pandemic, including effects caused by economic and housing market disruptions.

The purpose of the Bond Measure KK Acquisition and Conversion to Affordable Housing (ACAH) Program is to provide loans to eligible borrowers for acquisition- and rehabilitation-related costs



associated with protecting and preserving long term affordable housing throughout the City of Oakland.

Approximately \$10.6 million is available from Bond Measure KK and CDBG-CV funds for the ACAH Program, and it is divided into two subprograms:

- \$4.2 million in Measure KK is available only to Community Land Trusts/Limited Equity Housing Cooperatives, and
- \$4.2 million is available for all other types of affordable housing developers (All Developer pool), as follows: \$1.7m from Measure KK and \$2.5m from CDBG-CV.
- Should there be insufficient demand in the All Developer pool for the \$2.5m in CDBG-CV funds, they may be used for eligible projects in the Community Land Trusts/Limited Equity Housing Cooperatives pool. However, a single project may not receive both Measure KK and CDBG-CV funding.

**Note:** Projects can receive a CDBG-CV funding commitment only if they meet the COVID eligibility requirements of CDBG-CV funds, which are described below in Section I.J. Projects awarded CDBG-CV funds will enter into loan documents containing CDBG, CDBG-CV and any other requirements required under this federal funding source.

The following HCD values and priorities guide the scoring priorities for this NOFA:

- A commitment to advancing racial equity;
- A commitment to assist housing projects where the tenants are at risk of displacement and in neighborhoods experiencing heightened levels of gentrification;
- A commitment to assist housing projects that target extremely low-income households; and
- A commitment to assist housing projects that help to prevent the spread of, and respond to the Coronavirus pandemic.

New requirements and changes to the ACAH NOFA 2020 include the following:

- Scoring Changes
  - Greater points are available for projects with tenant involvement;
  - Greater points are available for projects that provide housing for extremely low income households;
  - Points are available for projects sponsored by “emerging developers;”
  - Points available for projects located in areas identified as being at risk of displacement or gentrification based on the Urban Displacement Project Map.



- CDBG-CV funds are available for projects with households who have experienced economic impacts due to the coronavirus pandemic; and
- Sponsors may submit a maximum of four (4) applications for the Community Land Trust/Limited Equity Coop (CLT/LEC) subprogram and a maximum of two (2) applications for the All Developer subprogram. In the event of a joint application, the application will count towards the lead developer's application limit.
- Applicants are strongly encouraged to attend a pre-application meeting via video conference on **Monday, December 21, 2020 at 4:00 pm**. City Housing staff will be available for questions. Planning staff will explain CEQA/NEPA requirements and steps to be followed for CEQA/NEPA review. Contracts and Compliance staff will review the City's required employment and contracting programs. City Data Services will review the online application process.

Join Zoom Meeting

<https://zoom.us/j/91979705720?pwd=NjBZMzNCTFdlejgyNkRIUEt2OVNEQT09>

Meeting ID: 919 7970 5720

Passcode: 411690

One tap mobile

+16699006833,,91979705720#,,,,,0#,,411690# US (San Jose)

+19292056099,,91979705720#,,,,,0#,,411690# US (New York)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

Meeting ID: 919 7970 5720

Passcode: 411690

Find your local number: <https://zoom.us/u/and7lcl9L>

Please contact Harman Grewal ([hgrewal@oaklandca.gov](mailto:hgrewal@oaklandca.gov)) with technical questions.

- **Applications must be submitted through City Data Services (CDS), HCDD's on-line database system. Paper applications will no longer be accepted.** Instructions are provided in Section III-A. CDS will provide an online training on the electronic application on **January 6<sup>th</sup> at 11:00 am:**



## Zoom Meeting Details

<https://zoom.us/j/3111036377>

Meeting ID: 311 103 6377

+16699006833,,3111036377# US (San Jose)

+13462487799,,3111036377# US (Houston)

## Dial by your location

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 929 205 6099 US (New York)

+1 253 215 8782 US

+1 301 715 8592 US

+1 312 626 6799 US (Chicago)

Meeting ID: 311 103 6377

- Applicants should understand that, under the California Public Records Act and the City's Sunshine Ordinance, all documents submitted as part of this application are considered public records and will be made available to the public upon request.



## I. Eligibility

### A. Eligible Projects

- Acquisition only or Acquisition/Rehabilitation of unsubsidized buildings with twenty-five (25) units or fewer. Rehabilitation-only projects are not eligible.
- Project tenure may be rental, ownership or lease to own.
- Project type may be family, senior, permanent supportive housing or transitional.
- Projects will be allowed to convert to shared-equity ownership tenures that are permanently affordable.
- Projects may be occupied or vacant. Vacant buildings are eligible if at least twenty-five percent (25%) of units will be restricted and affordable to extremely low-income households (households with incomes at or less than thirty percent (30%) of Area Median Income (AMI)) and twenty-five percent (25%) of units will be restricted to very low-income households (households with incomes at or less than fifty percent (50%) of AMI).
- Projects may include the conversion of existing space or structures on the property to an Accessory Dwelling Unit (ADU), such as the conversion of a room or rooms in the home, conversion of existing space within the home like an attic or basement, conversion of an attached garage space, or conversion of an existing detached accessory structure to an ADU, such as an existing backyard cottage or detached garage. New construction of an attached or detached ADU is not eligible.
- Projects that have previously received a funding commitment through the Acquisition and Conversion to Affordable Housing (ACAH) NOFA dated December 6, 2019 or the Measure KK 1-4 Unit Acquisition & Rehabilitation Program, which started accepting applications on January 7, 2019 are eligible for additional funds, which, in the aggregate, shall not exceed the Maximum City Subsidy listed below in Section I. G.
- Temporary relocation (up to 60 days maximum) is allowed under this program. Permanent relocation is not permitted.
- Funds may not be spent on new construction or commercial construction costs.

### B. Eligible Borrowers

- Restricted to community land trusts and limited equity housing cooperatives that are associated with a land trust or other organizations that will provide financial infrastructure support to the cooperatives. Affordable housing organizations that meet the developer capacity requirements identified below that are in a documented partnership with these organizations are also eligible borrowers.
  - A “community land trust” is a community-based not-for-profit organization that maintains the long-term ownership of the land and sells or leases the improvements (housing units) to tenants or resident owners.



- A “limited equity housing cooperative” is a housing cooperative in which low-income members purchase shares at below market prices and are subject to limitations on the amount of equity or profit they can receive on the re-sale of their units.
- Applicants must meet the developer experience requirements outlined in Section III below. An applicant that does not meet the developer qualifications must joint-venture with an organization that does meet the criteria.

### **C. Income Requirements**

- Tenant incomes are expected to range from extremely low income (30% of AMI) to low income (80% of AMI). If the average income of existing tenants is greater than eighty percent (80%) of AMI upon acquisition, then vacancies are required to be filled with households with incomes at or below sixty percent (60%) of AMI, with rents no higher than thirty percent (30%) of sixty percent (60%) of AMI, until the average household income for the project reaches eighty percent (80%) of AMI.
- Units that convert to ownership must be sold to households at or below eighty percent (80%) of AMI.
- All existing tenants may stay in their home regardless of income. Permanent relocation of tenants is not allowed under this program.

### **D. Eligible Uses of Funds**

Generally, most costs associated with acquisition and rehabilitation are eligible uses of program funds, including the following:

- Pre-acquisition due diligence costs
- Purchase costs
- Holding costs associated with the property such as taxes, insurance and debt service
- Option fees, to be repaid no later than the date of the purchase of the property
- Due diligence reports, including environmental assessments and property inspections
- Legal costs
- Architectural and engineering expenses, as applicable
- Appraisals
- Gap financing costs
- Construction costs associated with rehabilitation
- Capitalized replacement reserves
- Temporary relocation costs (for up to 60 days of temporary relocation)
- Other costs associated with acquisition and rehabilitation of the site, as approved by the City



## E. Ineligible Use of Funds

Ineligible uses of funds include costs associated with the following:

- New construction
- Mortgage assistance to individual homebuyers
- Rental operating subsidies
- Service provision
- Operating reserves
- Furnishings
- Permanent tenant relocation

## F. Application Process

- Applications are due on **Friday, January 29<sup>th</sup> by 4:00 p.m.** All applications submitted after that deadline will not be considered for funding.
- Applicants may submit applications for up to four (4) projects. Applicants must state which project has funding priority. A project may consist of one building or scattered sites, but the applicant must intend to manage the properties as one project with one property manager.
- Applications will be reviewed and assessed for completeness, project feasibility and developer capacity. If the application is not complete, additional information will be requested from the applicant.
- Projects will be scored based on priorities described below in I. J. and listed in detail in **Section IV** below.
- If the application is approved, a commitment letter will be prepared and sent to the applicant for acceptance in March 2021. After acceptance, funds will be reserved for a period of six months from the date of the commitment letter, subject to extension at the discretion of the Director of the HCDD.
- The program will be administered by the City of Oakland Housing Development Services unit within HCDD.
- For questions or additional information, please contact Meghan Horl, Housing Development Coordinator, at [mhorl@oaklandca.gov](mailto:mhorl@oaklandca.gov), Vanessa Kennedy ([vkennedy@oaklandca.gov](mailto:vkennedy@oaklandca.gov)) or Christia Mulvey ([cmulvey@oaklandca.gov](mailto:cmulvey@oaklandca.gov)).

## G. Maximum City Subsidy

- \$300,000 per unit for buildings with 1-4 units
- \$200,000 per unit for buildings with 5-9 units
- \$150,000 per unit for buildings with 10–25 units
- \$3.75 million project maximum





## H. Maximum Developer Fee

The maximum allowable developer fee is 10% of the requested City subsidy. For example, if Applicant is requesting \$300,000 in City subsidy for a single-family home acquisition, the maximum allowable developer fee request is \$30,000. Thus, \$270,000 will be available for acquisition related costs and \$30,000 will be available for developer fee, for a total subsidy of \$300,000. Applicant may request all or a portion of the developer fee at their discretion. It is not a requirement.

## I. Anti-Displacement Priorities

Projects will be scored and ranked based on the following anti-displacement priorities (See Section IV for documentation requirements for this subsection):

1. [Up to 5 Points] Properties with tenants at high risk of displacement as evidenced by:
  - Landlord Harassment [1 Point]
  - Three Day Notices, No-Fault Eviction Notices [1 Point]
  - Rent Burdened Households (at least ten percent (10%) of households are paying more than fifty percent (50%) of their monthly household income in rent) [1 Point]
  - Households that have received a rent increase of greater than ten percent (10%) within the last 12 months [1 Point]
  - Property owner is in violation of, or has multiple complaints related to, documentable Oakland rental housing laws, including the Tenant Protection Ordinance, the Just Cause for Eviction Ordinance and Rent Adjustment Ordinance, and/or the Code Compliance Relocation Program Ordinance, including other Oakland properties owned by the same owner. [1 Point]
2. [1 Point] Property is exempt from the City of Oakland Rent Adjustment Program (units constructed after December 31, 1995).
3. [1 Point] Property is in substandard condition as evidenced by:
  - Photos/videos of the property
  - Violations of, or multiple complaints related to, documentable housing or building code deficiencies filed pursuant to California Housing Law or Oakland Municipal Code, including other Oakland properties owned by the same owner.
4. [2 Points] At least fifty-one percent (51%) of current tenants include vulnerable populations including: families with minor children (age 17 and under), seniors (age 62 and older), disabled as defined by the California Government Code at §12955.3 of the California Government Code, and/or those with language barriers.



5. [2 Points] At least fifty-one percent (51%) or current tenants are extremely low-income as defined by the Oakland Municipal Code at §4.54.200.
6. [2 Points] At least fifty-one percent (51%) of current tenants are supportive of and actively participating with the applicant in the effort to purchase the property.
7. [2 Points] Applicant is considered an “emerging developer” by meeting the following criteria: applicant has less than five (5) years of experience as a developer and/or five (5) or fewer acquisition, rehabilitation or new construction projects completed.
8. [1 Point] Property is located in one of the following tiers of the Urban Displacement Project’s Gentrification and Displacement Urban Displacement Map: *Low-Income Susceptible, On-Going Displacement* and/or *At Risk of Gentrification* ([www.urbandisplacement.org/san-francisco/gentrification-and-displacement](http://www.urbandisplacement.org/san-francisco/gentrification-and-displacement))

**J. Eligibility for CDBG-CV Funds**

CDBG-CV funded activities must prevent, prepare for, and respond to the spread of COVID-19 in order to be eligible under this ACAH NOFA. Projects are eligible for City of Oakland CDBG-CV funds only if at least 51% of existing tenant households meet the following criteria:

1. Household cannot pay monthly housing costs due to a COVID-19 impact, for example:
  - Unemployed, reduction of work or cannot work due to COVID-19
  - Loss of childcare or increase in childcare costs
  - Caregiving for family member due to Covid-19
  - Medical:
    - Increased or new medical costs such as lab tests, doctor visits, hospitalization, or prescriptions
    - Increased medical insurance payments
2. Income must be equal to or less than 80% of AMI (Area Median Income), pursuant to 2020 City of Oakland annual income limits:

	<b>One Person</b>	<b>Two Person</b>	<b>Three Person</b>	<b>Four Person</b>	<b>Five Person</b>	<b>Six Person</b>	<b>Seven Person</b>	<b>Eight Person</b>
80% of AMI	\$73,100	\$83,500	\$94,000	\$104,000	\$112,800	\$121,150	\$129,500	\$137,850

Support documentation for each tenant meeting the COVID-19 impacted status must be included in the application and may include:

- Termination/lay-off notice, pay stubs, signed letter from employer, unemployment award letter,
- Receipts, bank account statements, bank statements,



- Self-reported declaration explaining changed financial circumstances,
- Documentation of the number of months or amount of rent payments tenant is behind.

Existing tenants cannot be counted towards eligibility threshold if:

- Tenant already receives a government funded rental subsidy based on renter paying no more than 30% of their income for rent,
- Landlord began eviction process before March 1, 2020,
- Unemployment benefits received by tenant or homeowner that does not represent a significant decline in income.

## II. Loan Requirements

### A. Loan Terms

- Loans carry a simple interest rate of three percent (3%) per annum and a loan term of fifty-five (55) years.
- A loan origination fee equal to one percent (1%) of the loan amount will be charged for all loans.
- Affordability agreements or regulatory agreements will be recorded on the property at the time the loan is closed and will restrict the property to low-income occupants at certain income limits for a period of at least fifty-five (55) years, regardless of whether the loan is repaid.
  - If the average income of existing tenants is greater than eighty percent (80%) of AMI, units that become available for rent after the date of the loan must be restricted to serve households or individuals with incomes at or below sixty percent (60%) of AMI, with rents no higher than thirty percent (30%) of sixty percent (60%) of AMI, until the average household income for the project reaches eighty percent (80%) of AMI.

### B. Loan Disbursement

Loan funds will be disbursed upon receipt of satisfactory documentation that will be described in City loan documents. Borrowers should consult with the City Housing Development staff about requirements for submitting payment requests.

### C. Loan Documentation and Security

Each loan shall be documented by a loan agreement, promissory note, and recorded regulatory agreement or affordability agreement, as applicable. Loan documents will be drafted and reviewed by City staff, the City Attorney's Office, and the applicant, with final approved form by the City. Each loan will be secured in a manner that adequately protects the interest of the City. Security may include, but is not limited, to a deed of trust or other lien on the property.



The City may agree to subordinate its deed of trust, if it becomes necessary to do so for project feasibility. The City will not subordinate its regulatory agreement or affordability agreement to private lenders.

#### **D. Loan Termination**

Loan commitments or agreements may be reduced or terminated by the City if staff determines that:

- One or more conditions of the commitment, agreement, due diligence items or disbursement terms have not been, or will not be met;
- The borrower has violated program guidelines;
- Anticipated project financing sources are not awarded, and no alternative financing plan acceptable to the City is presented; or
- Acquisition and rehabilitation expenses are less than projected. In this case, the amount of the loan will be reduced to an amount required to meet actual expenses.

#### **E. Contract Compliance – Employment Programs and Requirements**

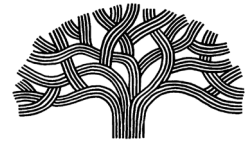
Applicants must comply with the following City of Oakland Employment and Contracting programs:

- Fifty Percent (50%) Local and Small Local For Profit and Not For Profit Business Enterprise Program (L/SLBE)
- Fifty Percent (50%) Local Employment Program
- Fifteen Percent (15%) Oakland Apprenticeship Program
- Payment of State Prevailing Wages
- Payment of Davis-Bacon prevailing wages, as required under CDBG-CV
- City of Oakland Living Wage Ordinance
- City of Oakland Equal Benefits Ordinance
- Electronic Certified Payroll Submittals

More information can be found at the City of Oakland's website at

<https://www.oaklandca.gov/departments/contracts-compliance>.

The requirements noted above are required regardless of project size, scope of rehabilitation, or any other factors. Applicants are strongly encouraged to meet with Contract Compliance staff before the application deadline to ensure a complete understanding of the City of Oakland Employment and Contracting program requirements and the various ways the project may meet the requirements. If a project receives a loan commitment, sponsors are **required to meet** with Contract Compliance staff and contractors (if applicable) before the loan closes, if rehabilitation is part of the project. Please contact Shelley Darensburg ([sdarensburg@oaklandca.gov](mailto:sdarensburg@oaklandca.gov)) or Vivian Inman ([vinman@oaklandca.gov](mailto:vinman@oaklandca.gov)) for more information.



## **F. FEDERAL FUND REQUIREMENTS**

Projects awarded CDBG-CV funds will enter into a set of loan documents which contain CDBG, CDBG-CV, and any other requirements required under this funding source.

**NEPA:** If the proposed project is financed with CDBG-CV funds, the project must also be assessed in accordance with the National Environmental Policy Act of 1960 (NEPA) prior to loan closing. NEPA review should be coordinated with the CEQA review to the extent possible.

**Choice-Limiting Actions Prohibited During NEPA Review.** Applicants seeking an award of CDBG-CV funds must refrain from undertaking activities that would have an adverse environmental impact or would otherwise limit the choice of reasonable alternatives between the time of application submittal and when the City has completed its environmental review process. Such activities include acquiring, rehabilitating, converting, leasing, repairing or constructing property, any kind of site preparation, or committing or expending HUD or non-Federal funds for program activities with respect to any project eligible under this NOFA. If the applicant has entered into a purchase agreement or contract for any of the above activities prior to applying for NOFA funds, work may continue pursuant to that contract. But amendments to the contract or new contracts may not be entered into. CDBG-CV funds may not be used to reimburse an applicant for project related costs incurred after the applicant has submitted the application for funding and before the completion of the City's environmental review process except for activities that are excluded and not subject to federal environmental review requirements, and for certain relocation costs.

Applicants must sign a certification that they understand this restriction (see *Application*). The prohibition against choice-limiting actions begins on the date that the application is submitted to the City. Applicants are encouraged to check with the City's HCDD staff regarding eligible expenditures after the submission of an application. Failure to comply with this requirement could result in a project being ineligible for City funding.

HCDD staff will assist developers in their efforts to obtain NEPA approval in a timely manner. If awarded CDBG-CV funds, applicants may be required to hire a NEPA consultant to work with City Planning staff to complete a NEPA review. Completing the NEPA review, including local and federal noticing periods, takes a minimum of 8-12 weeks after receipt of all necessary information.

### **Federal Funding Requirements**

If the applicant may be receiving CDBG-CV funds, they will be required to comply with applicable federal statutes and laws, including, but not limited to:

- Section 3 of the U.S. Housing Act of 1968, as amended
- Equal Opportunity and related requirements in 24 CFR Section 982.53
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990



- Architectural Barriers Act of 1968
- Fair Housing Act of 1988
- National Environmental Protection Act (NEPA)
- Federal prevailing wage requirements (Please note that projects will be required to meet the higher of Federal or State prevailing wage requirements).

## Disabled and Senior Accessibility

Developments assisted by the City must meet the requirements of the Americans with Disabilities Act (ADA) and the Fair Housing Act, among other local, state, and federal laws. Projects with any federal funds must also meet the more stringent accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (24 CFR 100.205 and Part 8). Section 504 sets minimum percentages of accessible units, and calls for fully accessible common areas, among its numerous requirements. For projects funded with CDBG-CV, five percent (5%) of the total number of units must be accessible to people with physical disabilities, and an additional two percent (2%) of units must be accessible to people with auditory and visual disabilities, as defined in the Uniform Federal Accessibility Standards (UFAS).

Where Section 504, the Fair Housing Act, or ADA apply, the developer and project architect must make a written certification of compliance.

## III. Application Requirements

### A. DOCUMENTATION REQUIRED AT THE TIME OF APPLICATION

Applications must be submitted electronically through City Data Service's (CDS) website. Paper applications will no longer be accepted. Important dates related to the application include:

- The CDS electronic application will be "live" **starting Monday, December 28<sup>th</sup> at 12:00 pm**. Applicants can begin to enter information in the electronic application at this time.
- CDS will host a training session on the electronic application on **Wednesday, January 6<sup>th</sup> at 11:00 am**.

Zoom Meeting Details

<https://zoom.us/j/3111036377>

Meeting ID: 311 103 6377

+16699006833,,3111036377# US (San Jose)

+13462487799,,3111036377# US (Houston)



Dial by your location

- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 929 205 6099 US (New York)
- +1 253 215 8782 US
- +1 301 715 8592 US
- +1 312 626 6799 US (Chicago)

Meeting ID: 311 103 6377

- Application are due by **Friday, January 29<sup>th</sup> at 4:00 pm.**

Applicants who are new CDS users, please go to <http://www.citydataservices.net> and use OAK2021 to create a unique username and password in order to submit an application. Existing CDS users, please use your current username and password to submit an application.

Please direct CDS technical questions to [citydataservices@yahoo.com](mailto:citydataservices@yahoo.com) or 650-533-5933.

## 1. **Application Checklist**

Submit a completed checklist.

## 2. **Narrative Cover Letter**

Applicants must provide a narrative cover letter, signed and dated by the Executive Director or Chief Executive Officer of the organization, that describes the site to be acquired. The cover letter should include, but not be limited to, the following:

### ***Site Information***

- ♦ Current use of site
- ♦ Location of project
- ♦ Number and size of units (number of bedrooms per unit).
- ♦ Target population served
- ♦ Description of tenant organizing prior to the acquisition
- ♦ Current condition of site/project
- ♦ Age of building
- ♦ Construction type/# of stories
- ♦ Any environmental issues
- ♦ On- and off-site improvements required

### ***Financing Information***

- ♦ Amount of loan requested
- ♦ Total Acquisition or Acquisition/Rehabilitation budget costs

- ♦ Description of other (non-City) funds that are being considered
- ♦ If requesting 100% City financing, describe why other financing options are not viable
- ♦ Any desired variance in standard loan terms

### ***Rehabilitation Plan***

- ♦ Type of project: Acquisition or Acquisition/Rehabilitation
- ♦ Total development costs
- ♦ Detailed scope of any anticipated rehabilitation (regardless of how minor)
- ♦ Rehabilitation work completed within the last 10 years (describe scope of work and include dates)



### **3. Self-Scoring Worksheet and Back-Up Documentation**

Applicants are required to submit a self-score worksheet and back-up documentation supporting their self-scores. Please include a narrative describing how the back-up documentation supports each Anti-Displacement Priority. Applicants should not assume that their self-score estimate will be the actual score that will be achieved.

### **4. Basic Application Information**

Complete the requested information, including the following sections: Project Summary, Applicant Information, Site Control and Project and Site Information.

### **5. Developer Experience**

The development entity applying for funding must have successfully acquired at least three (3) affordable housing development projects. If rehabilitation work is proposed for the project, applicant must have completed at least one (1) rehabilitation, as well. Alternative experience that demonstrates developer capacity may be provided and is subject to staff review and approval. In this tab, applicants must provide all completed projects within the last 10 years. Please note the following concerning joint ventures, limited partnerships and limited liability companies:

- **Joint Ventures-** A developer that does not meet the criteria for experience must joint-venture with an organization that does meet the criteria. Prior to funding approval, the City must review and approve all joint venture agreements. A majority interest and control must be held by the development entity meeting the City requirements for experience as described above. If a joint venture is proposed, provide organizational history information for all proposed partner organizations.
- **Limited Partnerships or LLCs** - For development entities proposed as limited partnerships or limited liability companies, the City reserves the right to approve the limited partnership agreement or operating agreement.

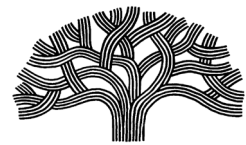
### **6. Developer Capacity**

Provide the requested developer capacity information for project staff of the proposed project.

### **7. Resumes of the Developer's Key Staff**

Include resumes for the developer's key staff that will be assigned to the proposed project.





## **8. Resumes and Experience of Other Members of the Development Team**

As a cover page to this Exhibit, indicate which of the following Development Team Members have been selected and identify them. Please include the resumes and/or Statement of Qualifications for key staff and project team members.

- Developer, if different from applicant
- Architect(s)/Engineer(s) (if applicable)
- Attorney(s)
- Property Management Agent
- Financial and other Consultant(s)
- General Contractor (if applicable)

## **9. Articles of Incorporation, Articles of Organization, Bylaws, Tax-Exempt Determination from the I.R.S., List of Board Members and Corporate Borrowing Resolution, if applicable.**

Submit copies of organizational documents as listed.

## **10. Financial Statements**

Submit borrower's financial statements for the two most recent years. If possible, financial statements should be audited by an independent or certified public accountant.

## **11. Location Map of Proposed Site**

Provide a map clearly identifying the location of the project in the City of Oakland.

## **12. Schedule**

Complete a detailed project schedule including timing of acquisition (if project isn't yet acquired), tenant engagement schedule, building permits application submittal (if needed) and expected approval date, dates of applications and expected approval for any other proposed funding sources, loan closing, start and complete dates for rehabilitation (if included in project scope), marketing, lease up (if vacant), conversion to tenant ownership (if applicable) and move-ins.

## **13. Financial Analysis**

Please complete the Acquisition and Conversion to Affordable Housing (ACAH) Project Financial Analysis Model. For ownership or lease-to-own projects, include development budget (costs and revenues), financial modeling of the ownership project and maximum affordable sales price calculations. Also, for CDBG-CV eligible projects, Applicants must describe measures that will be taken after acquisition to address the loss of rental income due to COVID.



## **14. Property Management Plan**

Include a detailed property management plan that provides, at a minimum, procedures for the following:

- Staffing arrangements and personnel policy;
- Monitoring and publicizing vacancies and achieving occupancy;
- Determining tenant eligibility, selecting tenants, initially certifying and annually recertifying household income and size;
- Maintaining and repairing the property;
- Maintaining adequate accounting records;
- Handling tenant grievances and appeals;
- Processing reasonable accommodation requests; and
- Collecting damages and processing evictions and terminations.

The Property Management Plan must also include the name and contact information of the Management Company and the role and responsibility of the Applicant and its delegation of authority, if any, to the management agent.

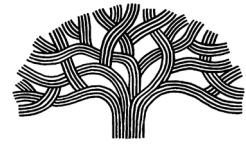
## **15. Asset Management Plan**

Include a detailed asset management plan that provides, at a minimum, procedures for the following:

- Analyzing the financial health of the property and ensuring that the property is breaking even or positively cash flowing;
- Monitoring occupancy rates and duration of vacancies;
- Establishing replacement and operating amounts to start operations and ongoing contributions to these funds;
- Monitoring reserve balances;
- Analyzing physical needs to ensure property maintenance is being carried out and to prepare for addressing larger capital needs as they arise; and
- Performing an annual review of insurance coverage and assessment of risks, and how to manage them.

The Asset Management Plan must also include the name and contact information of the asset manager and a list of projects (address, number of units, type of property) that are the responsibility of the asset manager.

To the extent units may, or will convert to homeownership, provide a description of how the sales transactions will be carried out, including who will be responsible for ensuring Regulatory Agreement terms are complied with.



## **16. Rent Roll**

For existing occupied buildings, provide rent and family size information for current tenant population, if available.

## **17. Preliminary Title Report**

Provide a preliminary title report for the site which must be dated not more than 60 days prior to the date of submission of the application. Include a narrative of a plan to remove all appropriate liens with a timetable for the removal

## **18. 3-R Report**

Applicants are required to contact the Building Bureau and submit an “Application for Report of Building Record” (3-R Report) prior to submitting the NOFA application. 3-R Report applications can be found at the Planning and Building Department site on the City of Oakland website ([oaklandca.gov](http://oaklandca.gov)) and must be submitted along with the required fee to: [recordsinfo@oaklandca.gov](mailto:recordsinfo@oaklandca.gov). For additional information, please contact the Building Bureau Records Division at 510-238-3606.

## **19. Evidence of Meeting with Planning Bureau**

Applicants are required to contact Planning Bureau Staff to research all Planning Code requirements and to determine if additional code regulations may be triggered by the proposed scope of rehabilitation work. The meeting must be held prior to submitting the NOFA application and proof of the meeting must be included in the application. Applicants are required to contact Ed Manasse, Deputy Director of the Planning Bureau, via email: [emanasse@oaklandca.gov](mailto:emanasse@oaklandca.gov) or by phone: 510-238-7733 and ask to speak about the proposed NOFA project.

## **20. Evidence of Meeting with Building Bureau**

Applicants are required to contact Building Bureau Staff to research all Building Code requirements and to determine if additional code regulations may be triggered by the proposed scope of rehabilitation work. The meeting must be held prior to submitting the NOFA application and proof of the meeting must be included in the application. Applicants are required to contact the Building Bureau via email: [permitinfo@oaklandca.gov](mailto:permitinfo@oaklandca.gov) or by phone: 510-238-3891 and ask to speak with a Building Bureau staff person about the proposed NOFA project.



**21. Certification Forms**

Complete the following forms:

- City Certifications
- Combined Contracts Schedule

**22. Eligibility for CDBG-CV Funds**

Projects will only be considered for City of Oakland CDBG-CV funds if at least 51% of existing tenant households meet the following criteria:

- Household cannot pay monthly housing costs due to a COVID-19 impact, for example:
  - Unemployed, reduction of work or cannot work due to COVID-19,
  - Loss of childcare or increase in childcare costs,
  - Caregiving for family member due to Covid-19,
  - Medical impact:
    - Increased or new medical costs such as lab tests, doctor visits, hospitalization, or prescriptions
    - Increased medical insurance payments

Income must be equal to or less than 80% of AMI (Area Median Income), pursuant to 2020 City of Oakland annual income limits:

	<b>One Person</b>	<b>Two Person</b>	<b>Three Person</b>	<b>Four Person</b>	<b>Five Person</b>	<b>Six Person</b>	<b>Seven Person</b>	<b>Eight Person</b>
80% of AMI	\$73,100	\$83,500	\$94,000	\$104,000	\$112,800	\$121,150	\$129,500	\$137,850

Applicants must provide the CDBG-CV COVID-19 Household Eligibility Certification Form (Certification Form 1) to be considered for CDBG-CV funds. Support documentation for each tenant meeting the COVID-19 impacted status must be included for each household and may include:

- Termination/lay-off notice, pay stubs, signed letter from employer, unemployment award letter,
- Receipts, bank account statements, bank statements,
- Self-reported declaration explaining changed financial circumstances, and/or
- Documentation of the number and/or amount of rent payments tenant is behind,

Existing tenants cannot be counted towards eligibility threshold if:

- Tenant already receives a government funded rental subsidy based on renter paying no more than 30% of their income for rent,
- Landlord began eviction process before March 1, 2020,



- Unemployment benefits received by tenant or homeowner that do not represent a significant decline in income.

## **B. DOCUMENTATION REQUIRED BEFORE LOAN CLOSING:**

If Applicant is awarded a funding commitment, the following documents will be required within sixty (60) days of the City-issued commitment letter.

### **1. Evidence of Site Control**

Provide evidence of site control including one of the following:

- Grant deed evidencing fee title ownership.
- Purchase agreement, including evidence that the agreement is of a term sufficient to hold the property until the anticipated date of purchase.
- Option to purchase or lease, including evidence that options are renewable until the start of construction.
- Long term lease agreement (of at least 55 years).

### **2. Environmental Assessment/California Environmental Quality Act/National Environmental Protection Act/Home Inspection Report**

Provide a copy of the Home Inspection Report (for 1-to-4 unit properties) or a Phase I Environmental Assessment for the site (five units and greater). Applicants may be required to complete a Phase II Environmental Assessment and remediate potentially hazardous materials, if found on the site (sites must be free of significant contamination at loan closing). The City may reimburse for these costs upon acquisition, subject to prior approval. Depending on the conditions at the site, proposed projects may be subject to review under the California Environmental Quality Act (CEQA). Projects that receive CDBG-CV funds will also be subject to review under the National Environmental Protection Act (NEPA) and a NEPA consultant may be required as part of the review process.

### **3. Appraisal**

Provide a copy of an “as is” appraisal, with no presumed condition like rezoning or cleanup, in order to determine the fair market value. Appraisals must conform to the Uniform Standards of Professional Appraisal Practice (USPAP), in particular Standards 1 and 2. In addition, appraisals must comply with the appraisal requirements of the Appraisal Institute’s Regulation 3. All appraisers must be California State Licensed/Certified. “Letter appraisals” are not acceptable. A self-contained appraisal report, per current USPAP guidelines, is the minimum acceptable form of appraisal, provided the evaluation includes both improvements and environmental issues, if either is present. The appraisal must include a separate as-is value for any improvements to be retained, or a demolition cost for any to be removed. Similarly, the estimate of environmental costs must be discussed in the appraisal.



#### 4. Physical Needs Assessment/Home Inspection Report

- For Acquisition/Rehabilitation Projects with one to four units, provide a home inspection report that describes the deficiencies that will be addressed by the rehabilitation, emergency repairs, health and safety issues and lead abatement and asbestos report (if the building was built before 1978). The home inspection report must also include preliminary cost estimates for the repairs, or a cost estimate provided by a licensed contractor.
- For Acquisition/Rehabilitation Projects with five or more units, provide a copy of a Physical Needs Assessment (PNA) that describes the deficiencies to be addressed by the rehabilitation, emergency repairs, health and safety issues and lead abatement and asbestos report, if applicable. PNA must also include preliminary cost estimates for the repairs.

#### 5. Insurance

Document the ability to obtain the insurance coverage listed below.

- A. Commercial General Liability (CGL) insurance shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, Bodily Injury, Broad Form Property Damage, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), Contractual Liability, XCU, and Owners and Contractor Protective Liability. Pollution Liability coverage is required if Loan proceeds are used for the remediation of Hazardous Materials. The CGL policy must contain severability of interest clause or cross liability clause or the equivalent thereof. If such CGL insurance contains a general aggregate limit, it shall apply separately to this Agreement.
  - i. Coverage afforded on behalf of the City shall be primary insurance and any other insurance available to the City under any other policies shall be excess insurance (over the insurance required by this Agreement).
  - ii. Limits of liability: Owner must maintain, CGL and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it must apply separately to this project.
- B. Automobile Liability Insurance for bodily injury and property damage liability with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos). Coverage shall be at least as broad as Insurance Services Office Form Number CA 00 01.



- C. Worker's Compensation insurance as required by the laws of the State of California. Statutory coverage may include Employers Liability coverage with limits not less than \$1,000,000. Owner certifies that it is aware of the provisions of section 3700 of the California Labor Code, which require every employer to provide Workers' Compensation coverage, or to undertake self-insurance in accordance with the provisions of that Code. Owner and its contractors must comply with the provisions of section 3700 of the California Labor Code before commencing performance of the work under this Agreement and thereafter as required by that code.
- D. Property Insurance on an all risk coverage basis to the extent of full replacement value of the premises for the duration of the term of the Loan. Coverage amount may be adjusted for fluctuation in replacement values. This coverage is required upon completion of construction of the Project, or upon closing of this Loan if the Project is a rehabilitation project.
- E. Loss of Rents Insurance Coverage in the amount of 75% of scheduled annual gross rents.

**6. Joint Venture Agreement**

If the applicant is a Joint Venture, an executed Joint Venture Agreement is required, clearly describing the roles and responsibilities of each partner, and identifying who is the lead partner, or if the responsibilities are approximately equally split between the partners.

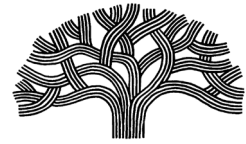
**7. Community/Tenant Engagement Plan**

Include a narrative statement that describes your community/tenant engagement efforts taken to date, and your proposed future community/tenant engagement plan and schedule for the proposed project.

**8. Title Policy Insurance**

Applicant must obtain at its own expense an ALTA Loan Policy of title insurance insuring the City, with liability not less than the principal amount of the loan.

***City staff reserves the right to require additional information for the project, as deemed necessary throughout the review or closing process.***



## IV. Anti-Displacement Scoring Priorities

Projects will be scored and ranked based on the following priorities. Applicants must complete the Self-Scoring Worksheet and all necessary back-up documentation requested. Applicants must also provide a narrative explaining how the back-up documentation supports the self-score for each priority. The Narrative Certification Form (Certification Form 2) and Household Certification Form (Certification Form 3) are available in the CDS electronic application.

1. [Up to 5 points] Properties with tenants at high risk of displacement as evidenced by:
  - Landlord Harassment [1 point]
    - Documentation may include copies of emails, texts, letters, or a written narrative from tenant of landlord harassment on the *Narrative Certification Form (Certification Form 2)*.
  - 3-Day Notices, No-Fault Eviction Notices [1 point]
    - Documentation shall include copies of 3-Day Notices and/or No-Fault Eviction Notices.
  - Rent Burdened Households (at least 10 percent of households are paying more than 50 percent of their monthly household income in rent) [1 point]
    - Documentation may include evidence from the rent roll provided with application, and/or information provided on rent burden on the *Household Certification Form (Certification Form 3)*.
  - Households that have received a rent increase of greater than 10 percent within the last 12 months [1 point]
    - Documentation may include copies of lease agreements documenting rent level changes over the last 12 months and/or *Household Certification Form (Certification Form 3)*.
  - Property owner is in violation of, or has multiple complaints related to, documentable Oakland rental housing laws, including the Tenant Protection Ordinance, the Just Cause for Eviction Ordinance and Rent Adjustment Ordinance, and/or the Code Compliance Relocation Program Ordinance, including other Oakland properties owned by the same owner. [1 point]
    - Documentation shall include copies of written complaints submitted to City by tenant(s), Rent Adjustment Program hearing decisions, Rent Board decisions, Code Enforcement notices, or City-issued citations.
2. [1 point] Property is exempt from the City of Oakland Rent Adjustment Program per OMC Chapter 8.22 (units newly constructed after January 1, 1983)





- Documentation shall include verification of the year the building was constructed from Alameda County Assessor’s Records Office or a Property Records Search from City of Oakland Building Bureau.
3. [1 point] Property is in substandard condition, which must be evidenced by:
    - Photos/videos of the property;
    - Written narrative detailing the substandard condition of the property on the *Narrative Certification Form (Certification Form 2)*; and/or
    - Written documentation of violations of, or multiple complaints related to, documentable housing or building code deficiencies filed pursuant to California Housing Law or Oakland Municipal Code, including other Oakland properties owned by the same owner.
  4. [2 points] For occupied properties, at least 51% of current tenants include vulnerable populations including families with minor children (age 17 and under), seniors (age 62 and older), disabled as defined by the California Government Code at §12955.3 of the California Government Code, and/or those with language barriers.
    - *Provide information on Household Certification Form (Certification Form 3).*
  5. [2 points] At least fifty-one percent (51%) of residents are extremely low-income as defined by the Oakland Municipal Code at §4.54.200 (at or below thirty percent (30%) Area Median Income (AMI)).
    - *Provide information on Household Certification Form (Certification Form 3).*
  6. [2 points] At least 51% of current tenants are supportive of and actively participating with the applicant in the effort to purchase the property, which must be evidenced by:
    - Sign-in sheets, agendas or minutes from tenant meetings, signed tenant petition, and/or signed statements from tenants.
    - Provide information on *Household Certification Form (Certification Form 3)*.
  7. [2 points] Applicant is considered an “emerging developer” by meeting the following criteria: applicant has less than five (5) years of experience as a developer and/or less than five (5) completed acquisition, rehabilitation or new construction projects.
    - Provide detailed information on years of experience and the number of completed projects on the *Narrative Certification Form (Certification Form 2)*.
  8. [1 point] Property is located in the following tiers of the Urban Displacement Project’s Gentrification and Displacement Urban Displacement Map: *Low-Income Susceptible, On-Going Displacement* and/or *At Risk of Gentrification*  
[www.urbandisplacement.org/san-francisco/gentrification-and-displacement](http://www.urbandisplacement.org/san-francisco/gentrification-and-displacement)
    - *Provide census tract number, Urban Displacement Map tier and Urban Displacement Map with the property identified.*