

City of Oakland, Housing & Community Development
Notice of Funding Availability 2022
Acquisition and Conversion to Affordable Housing (ACAH) Program

Questions & Answers, Response #1, issued January 11, 2023

Q1: Can you please provide the link where you will be loading the presentation slides and recording of the January 4th Bidders' Conference?

A1: The presentation and slides have been posted to the City's Website here:
<https://www.oaklandca.gov/resources/2022-acquisition-conversion-preservation-nofa>

Q2: What constitutes “substantially changed” from original application? When is a 3-R report required?

A2: This question applies to projects that have a previous ACAH award and are considering applying for additional ACAH funds. Certain requirements (the 3R report, the meeting with the Planning Bureau, and the meeting with the Building Bureau) are not triggered if the project has not substantially changed from the scope presented in the original application for which the project received a City residential lending or ACAH award. However, it is important to review the NOFA carefully under the Application submittal requirements to understand if these submittals are required. The 3-R Report on file will need to be updated if there has been a proposed change in the number of units from the City's records on the number of legal units in the property. The 3-R report is important to determine if any additional entitlement is required for the project proposal, because City needs to determine the legal number of units on the property for today, in addition to the CEQA review. The City will look at whether the proposal as described represents the legal number of units according to City records. The applicant should reach out to both the Planning and Building Bureaus to set up a meeting, if the scope of work has changed significantly from what was originally presented to the city.

Q3: Is a Native American Study required and who initiates this process?

A3: The Native American Study is specific to projects that are seeking entitlements through SB35 process. In that case, the first step is to submit a Pre-Application to the City Planning Department to start the process. City staff will send out letters to the tribes to request consultation, and will contact the Native American Commission to start the Sacred Lands Process, if applicable.

Q4: For ACAH projects with an existing funding award from the City, how will the City prioritize the rehabilitation?

A4: This question pertains to the scoring criteria for projects that have existing ACAH awards. Application Attachment 1 (Self-Scoring Worksheets for New and Existing Projects) is available for download on the City’s website and also from the CDS Application portal. There are separate self-scoring worksheets for the All Developer Pool and the CLT/LEHC Subprogram – each worksheet contains two tabs, one for projects seeking New ACAH funds, and one for projects with existing ACAH funds. In both the All Developer Pool and the CLT/LEHC Subprogram, there are 22 total points available for scoring existing funded projects, of which 20 points address the prioritization of health and safety hazards, accessibility, and structural rehabilitation. For each correction of health and safety hazard, immediate health deficiency, and code violation, the City will provide 5 points. For each accessibility improvements or structural rehab improvement, the City will provide 3 points and for other rehabilitation items not listed, the City will provide 1 point. The maximum number of points available in the “Prioritization of Health and Safety Hazards, Immediate Health Deficiencies and Code Violations” section is 20 points.

Q5: Regarding the “emerging developer” definition, can you clarify the meaning of “and/or”. Can it be met with “less than five years of experience as a developer”?

A5: Developers can qualify for priority points in the ACAH NOFA scoring if they are considered an emerging developer. An 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 in the last 10 years. It is the City’s intention to provide flexibility by using “and/or” in the definition. This would allow a developer with fewer than five years’ experience, but with experience completing more than 5 projects in the last 10 years, to be considered an emerging developer. And conversely, to allow a developer with five or more years’ experience, but with five or fewer projects completed in the last 10 years, to be considered an emerging developer. The City has updated the NOFA materials to ensure consistency in the emerging developer definition across both programs, including the description of emerging developer found in the NOFA, and in exhibits to the NOFA including the Term Sheet (Exhibit B) and the Application Submittal Requirements (Exhibit C to the All-Developer NOFA and Exhibit D to the CLT/LEHC NOFA).

Q6: How would we demonstrate the need for energy efficiency improvements and solar energy installation? These are not addressed in the Physical Needs Assessment.

A6: Please submit any reports or documentation showing the need for the energy efficiency repairs and how the interventions will help address issues raised in the PNA.

Q7: Section G of the Co-op NOFA says "permanent real estate cooperatives (PRECs) that are in a documented partnership with a CLT" are eligible to apply. But it does not specify what kind of partnership this means. Is it up to us to propose the parameters of a partnership, or did you have something specific in mind?

A7: As noted, Section VII.G of the NOFA provides that permanent real estate cooperatives (PRECs) are eligible borrowers through this NOFA if in a documented partnership with a community land trust (CLT). A memorandum of understanding (MOU) between the PREC and the CLT is an acceptable form of partnership at the time of application, and a joint venture agreement is required prior to loan closing. Please see Exhibit E to the CLT/Cooperatives NOFA which includes a description of documents required prior to loan closing. A JV agreement should clearly describe the roles and responsibilities of each partner and identify who is the lead partner or if the responsibilities are approximately equally split between the partners.

Q8: Section K, "Cooperative Project Proposal Requirements", looks like it only applies to "shared- or limited-equity housing cooperatives", which are defined separately from PRECs in section G. Am I right to interpret that Section K would NOT apply to an PREC application?

A8: Section VII.K of the CLT/Cooperatives NOFA (Cooperative Project Proposal Requirements) has been revised to reflect that it applies to permanent real estate cooperatives as well as to shared- or limited-equity housing cooperatives. The revised CLT/Cooperatives NOFA has been uploaded to the City's website.

K. Cooperative Project Proposal Requirements

- Projects that are proposed as shared- or limited-equity housing cooperatives, or permanent real estate cooperatives, or which are proposed to convert after a period of affordable rental housing to shared- or limited-equity housing cooperatives or permanent real estate cooperatives, are required to meet additional program requirements as follows:

Q9: What is the contact information for NEPA review and when is it required?

A9: Heather Klein with the City's Planning Bureau evaluates the NEPA environmental review documents (prepared by the development team's environmental consultants)

for federally funded projects. The NEPA review process will only be triggered if there are federal funds awarded to the project, such as the use of Neighborhood Stabilization Program (NSP) funds. Heather's email is hklein@oaklandca.gov. If the project receives a funding award and requires a NEPA review, the first step for the applicant will be to submit a NEPA application. The applicant will need to retain an environmental consultant to complete the NEPA.

Q10: Is only the PNA required to support rehabilitation, but can other reports be used? The project has a PNA available, but it also has other reports like a roof inspection, and plumbing inspection. Can these be used? Do we need to order another PNA?

A10: This question applies to existing funded projects. New projects do not require a PNA at application. Best practice would be a PNA, but if there are other reports available, we would like to see those as well. We are looking for clear documentation of the physical condition of the building(s) and their major systems. Make the best case in your application with the documentation that you have. Ordering a supplemental PNA is not required. If there is mold in the property, please provide mold report documenting the nature and severity of the condition and the costs to mitigate, etc.

Q11: Is our project qualified to apply for additional City funding to enable completion of rehabilitation and new construction? The City previously provided a loan for the acquisition of the property, which has 102 units in four buildings, three of which will require moderate to substantial rehabilitation. The fourth building will be demolished and replaced with a new building. The project has entitlements.

A11: The project would not be eligible to apply for funds because the ACAH program is for acquisition of previously *non-subsidized* projects. The City is planning to release a rehabilitation NOFA for subsidized projects later this year (targeting late summer 2023), and the developer may also check to see if the New Construction NOFA (targeting late January 2023 release) may be a possible funding source for the project.

Q12: How do you access the application on the CityDataServices website?

A12: Log-In Instructions:

New CDS users – New users who do not have CDS login credentials for City of Oakland projects must visit <https://citydataservices.net/> and use **OAK2023** as both the username and password, then fill out a short form that will create a unique user account and login

credentials need to submit an application. There will be a button to start the application.

Existing CDS users – Visit <https://citydataservices.net/> and use your current username and password to submit an application. There will be a button to start the application.

Technical Questions: Please direct CDS technical questions by email to citydataservices@yahoo.com or by phone to (650) 533-5933.

Q13: In regards to 3-R Reports, Bureau Meetings, etc. for existing ACAH projects. Does the scope of work that the exception refers to, mean the Rehabilitation Scope of Work, or the scope of work for the entire project?

A13: This refers to the rehabilitation scope of work. See also, answer to Question #2 above.

Q14: For existing ACAH projects, is it fine to reuse the same documents that were produced when it initially applied for the NOFA?

A14: Applicants who have existing ACAH funding are not required to submit all documents that are required for new project submittals. The requirements for existing and new projects are outlined in the “Application Organization and Documentation Requirements” exhibit (Exhibit C for All Developer Pool and Exhibit D for CLT Subprogram). If the section does not state “*Not Required for Existing ACAH projects*”, then the City requires the applicant to submit updated and revised materials, unless noted below:

- Narrative Cover Letter
- Self-Scoring Sheet and Backup Documentation (if you submitted reports as backup documentation for your project rehabilitation needs in the original application, you must resubmit those reports so City staff can easily access the documentation. Furthermore, please submit updated documentation justifying the request for additional ACAH funds)
- Resumes of Key Staff and Development Team
- Financial Statements
- Proposed Rehabilitation Scope of Work
- Project Schedule Worksheet
- Financial Pro Forma and Analysis
- Property Management Plan (*if updated since original submittal*)
- Asset Management Plan (*if updated since original submittal*)
- Rent Roll

- 3-R report, meetings with Planning and Building Bureaus (if applicable/required)
- City Certifications Form
- Disclosure of Campaign Contributions
- Combined Contract Schedules

Q15: Is it possible to submit draft Fiscal Year 2022 financials from our organization?

A15: Yes, if necessary, applicants may submit a draft audit with the application due on February 17th. However, the City would be unable to award funds until the audit is completed, and submitted to and reviewed by the City. City staff will review applications in February and March. While the City does not score the financial audits for the ACAH NOFA, the City is unable to award funds prior to reviewing the audits, which are used to see the complete financial picture of an organization.

Q16: Can ACAH funds be used to take out other financing?

A16: Yes, take-out financing is an eligible use of the ACAH loan funds.