Community Development Commission-Housing Authority of the City of National City

Notice of Funding Availability (NOFA)

Description: NOFA for Affordable Housing

Submittal Deadline: November 19, 2021 5:00PM

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1.0 Overview and General Information

The Community Development Commission-Housing Authority of the City of National City (Housing Authority) is pleased to announce the availability of Fiscal Year 2022 funding for housing through this Notice of Funding Availability (NOFA).

This NOFA includes approximately $10 million in total funds for all capital requests for new construction, acquisition with rehabilitation, or rehabilitation of affordable housing serving households earning up to 60% of the Area Median Income (AMI) for rental projects and households earning up to 80%-120% of the AMI for homeownership projects.

Capital funds are from the Housing Authority's Housing Fund and are subject only to the conditions set forth in this NOFA.

Applicable Area Median Income (AMI) Level

Funds included in this NOFA provide an opportunity for National City to facilitate acquisition and new construction, acquisition with rehabilitation, or rehabilitation of affordable rental or homeownership in the City of National City for households with low income (up to 60 percent of San Diego County's Area Median Income [AMI]), very low income (up to 50 percent of AMI), and extremely low income (up to 30 percent of AMI). Projects with proposed income averaging will be reviewed on case-by-case basis. All applicable federal funding regulations for AMI requirements will apply.

Eligible Projects – Capital Funds

These funds will provide financing at below-market interest rates with deferred loan repayment. This NOFA only applies to developments located in the City of National City.

Funds as Gap Financing

This NOFA is for new construction, acquisition with rehabilitation, or rehabilitation of affordable rental, homeownership, and permanent supportive housing projects and is intended to partially fill the gap in a development's financial structure after all other available sources of housing development funds are utilized. Such "other available funds" may include but are not limited to: private bank loans, equity from the sale of low-income housing tax credits, owner equity, sale of tax-exempt Multifamily Housing Revenue Bonds, state and federal funding, grants and donations, and other public and private sources of funds. Applicants are expected to pursue financing from all available sources.

As appropriate, financial assistance to the selected project will be made in the form of amortized payments or residual receipts loans. The terms of the loans outlined in the NOFA shall be subject to negotiation on a project-by-project basis. All loans will be secured by a lien on the property. Applicants who previously received a funding commitment from the City for the development of a project are not eligible to apply for the same project.

Application Selection

The Housing Authority reserves the right to reject any and all submittals, including rejection of applications that may rank high in points relative to other applications. Selection of projects, to be funded or not funded, shall be subject to the approval of the Housing Authority in its sole discretion and

based upon a determination of which project is most likely to meet the Housing Authority's goal of timely creating additional cost-effective affordable housing.

The Housing Authority's available funding is extremely limited and the Housing Authority may not be able to fund every desirable project that is proposed. The public benefits and financial impacts of submitted applications will be carefully compared. Qualified developers with affordable housing development experience are encouraged to submit applications.

The Housing Authority, in its sole discretion, may adjust and substitute funding sources, based on the available and most appropriate funding sources for projects at the time the loan recommendation is presented to the Housing Authority. The Housing Authority reserves the right to reallocate and/or supplement funds from one NOFA to another, or from any other available source of funds, should it be deemed advisable by the Housing Authority, in its sole discretion. However, nothing contained herein creates an obligation upon the Housing Authority to reallocate or supplement funds.

Application Submittal

Applicants are required to submit a complete application with all applicable exhibits to ensure the most recent and up to date project information is available to the Housing Authority. Applicants should request the amount needed to ensure feasibility of their project regardless of the amount of funds available through this process.

The deadline for submitting proposals in response to the NOFA is 5:00 P.M. on November 19 ,2021. Proposals will be reviewed for compliance with the terms of this NOFA and evaluated according to the established NOFA Evaluation Criteria. All applications submitted within the application period shall be reviewed by the Housing Authority staff and third-party analyst to ensure compliance with all the application requirements and shall be competitively scored. Projects that apply to the NOFA will be ranked based on scoring criteria described in the NOFA. Staff will request that the Board of Commissioners of the Housing Authority approve the ranked list of projects and a total amount of funds to be awarded. The Housing Authority reserves the right to request additional information and/or to reject any or all proposals.

The Housing Authority will take the following priorities into account for the NOFA process:

- The creation of new affordable rental & ownership housing developments.
- Assistance for housing projects targeting people experiencing homelessness and extremely low-income households including Permanent Supportive Housing projects;
- Project Readiness; and
- Projects that align with the components of the 2021-2029 Housing Element and 2021-2025 Housing Strategic Plan.

Interested and qualified developers who can successfully demonstrate their ability to acquire, build, and operate affordable housing are encouraged to submit applications. Questions related to this NOFA must be submitted by email to nationalcity.2021nofa@gmail.com by 5:00 P.M. on November 1, 2021.

1.1 PROCESS AND TIMELINE

The Housing Authority has developed a comprehensive process to evaluate responses to this NOFA against specific evaluation criteria. The principal steps in the submission and evaluation process are:

- Applicants must submit: one (1) copy of the proposal and required exhibits to https://bit.ly/2021NOFA_Submit
- The Checklist (Attachment D) should be used as the Table of Contents for the application.
- Each applicant will be permitted to submit one application for this NOFA round. In the event of a joint application, the application will count towards the lead developer's application limit.
- All materials must be submitted electronically, as noted above. Forms/templates may be downloaded from https://bit.ly/2021NOFA
- Completed applications should be uploaded to https://bit.ly/2021NOFA_Submit, no later than 5:00 p.m. on November 19, 2021. Applications received after the deadline will not be considered.
- The Housing Authority will evaluate applications in accordance with the established Evaluation Criteria. Applications that are deemed substantially incomplete may be rejected.
- Applicants will be ranked in accordance with the score received using the Evaluation Criteria.
- Applicants will be notified of the results of the evaluation no later than February 2022.
- Once the staff review is completed, the top scoring application(s) will be presented to the Housing Authority Board of Commissioners and final funding approval will be made in spring 2022.
- Once funding is approved by the Housing Authority and the developer has secured its remaining gap funding sources, staff will draft loan documents for review by the developer and the City Attorney. All items required at this stage must be submitted and approved by the Housing Authority before the loan can close. Construction may not start until all required items have been received and approved, and the Housing Authority has issued a Notice to Proceed.
- A loan award is not final until a loan agreement signed by both the Housing Authority and the borrower that spells out all required terms and conditions of the loan is signed. Recommendation for approval from staff does not constitute an award of a loan.

2.0 Requirements

The Housing Authority provides financial assistance to developers of lower income housing. The Housing Authority requirements are generally consistent regardless of the original source of funding. However, for certain requirements, one source of funds may allow greater flexibility than others. Applicants should assume that federal requirements will apply. If the use of federal funds creates a significant feasibility problem, this should be explained in the application cover letter.

2.1 ELIGIBILITY

2.1.1 Eligible Applicants

Applications will be accepted from non-profit and for-profit organizations, joint ventures, or partnerships that serve low-income households, and those experiencing homelessness.

2.1.2 Eligible & Ineligible Activities and Costs

Eligible Activities and Costs

Funds from this NOFA may be used for the following activities and costs, including but not limited to:

- Construction and/or permanent financing for the acquisition, pre-development, and/or rehabilitation, and new construction of affordable rental housing
- Temporary Relocation costs
- "Hard" costs of construction and/or rehabilitation of housing
- "Soft" costs associated with the acquisition (including pre-acquisition due diligence costs), financing fees and costs and/or residential rehabilitation, including marketing costs, appraisals, architect and engineering fees, building permit and impact fees, developer/applicant fees, construction management, financial consulting, environmental assessments and reports, legal and accounting expenses, title insurance, 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), property inspections, capitalized replacement reserves.
- Mixed-use projects (containing both residential and non-residential space) are eligible. Generally, living space should make up the majority of the development. In any case, only the affordable housing portion of the project will be assisted and commercial costs need to be split out from the residential costs.

Ineligible Activities and Costs

Funds from this NOFA may not be used for the following activities and costs, including but not limited to:

- Luxury/higher-end features such as granite countertops, high-end stainless-steel appliances, and swimming pools should be avoided because such features contribute to the funding gap. Instead, developer/owner/applicants are encouraged to design projects with modest design and features;
- Non-residential uses such as commercial space or off-site improvements
- Permanent Relocation
- Resident Services costs (upfront or ongoing)
- Operating reserves
- Furnishings

2.2 LOAN TERMS AND UNDERWRITING

Loan terms/underwriting are subject to change by the Housing Authority at its sole discretion. The Housing Authority reserves the right to impose such additional and/or revised conditions in the final documentation of the transaction as may be approved by the Housing Authority and as are reasonably necessary to protect the interests of the Housing Authority and the City and fulfill the intent of this NOFA. Additional details are outlined below in Table below. If loan terms other than those listed below are sought for a project, the cover letter must explicitly state the requested terms with a detailed explanation of the reasons you are requesting such terms. Such requests are granted at the sole discretion of the City and Housing Authority.

Table 1. Loan Terms

Affordability Term	Restricted units must remain affordable for a minimum of 55 years.
Appraised Value	Purchase price (land and improvements) must not exceed the property's appraised value.
Cash Out	Any refinances that result in cash out to the borrower or related entity shall be evaluated by the Housing Authority and may result in additional underwriting requirements and be subject to a third-party financial analysis.
Closing Costs	Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association lenders policy for the Housing Authority loan, with endorsements acceptable to the Housing Authority, ensuring the Housing Authority loan lien priority, as referenced in this NOFA.
Contingency	Fifteen percent of the Housing Authority's loan amount will be withheld as contingency and will be paid upon construction completion, as applicable, and once an unconditional lien release from the general contractor and subcontractors is received by the City. This contingency will be reduced by any project cost savings.
Cost Savings	If there are any cost savings, improved debt, or improved tax credit equity pricing, then such funds will be used first to make an adjustment to the total tax credit allocation as may be required by the California Tax Credit Allocation Committee (CTCAC). Thereafter, 50 percent of the excess sources/cost savings will be applied toward the reduction of the Housing Authority's loan. The borrower shall submit the final tax credit cost certification to the Housing Authority for its review and approval prior to the final payment being released.
Debt Coverage Ratio	Minimum of 1.15. The Housing Authority will review the proposed financing structure and operating pro forma to determine the development's feasibility during the affordability period. Projects proposing the use of Low-Income Housing Tax Credits shall demonstrate financial feasibility for a minimum 17-year term.
Developer Fee	Because the developer fee is paid out of development costs and contributes to the financing gap: • Developer/applicant fee payments for tax-credit projects shall be in accordance with lender and investor requirements. • For developments requiring relocation of residents, final payment of developer fees will not be made until the Housing Authority verifies that tenant relocation has been completed in full compliance with all tenant relocation laws. The Housing Authority, at its sole discretion, will analyze projects requiring any type of relocation on an ad hoc basis. • Projects proposing the use of Low-Income Housing Tax Credits: Deferred developer fee must be paid off by year 15.
Due Diligence (post-award)	If the project is selected, the following are to be provided at borrower's expense post-award (eligible expense to be reimbursed by loan proceeds): • Phase I/II Environmental Reports • National Environmental Policy Act (NEPA) Environmental Assessment (if required) • Prevailing Wage Consultant/Monitor (federal prevailing wage may be required with a HOME funding allocation) • Permanent and Temporary Relocation Plan (for occupied units and/or businesses); Relocation Consultant (if required) • Third-Party, Line-by-Line Hard Cost Budget (must be submitted 60 days before financing close) • Third-Party Construction Review • Third-Party Borrower capacity review

Fee	Fees to the Housing Authority include (these fees can be reduced by loan proceeds): • Underwriting Fee. A flat underwriting fee in the amount of $40,000 will be charged for each project as reimbursement of the Housing Authority's costs related to underwriting and issuing the loan. This must be included in the total development cost of a proposed project and is to be paid at close of escrow and/or at loan closing. • Legal Fee. The Housing Authority charges a legal costs fee for document preparation and review that must be included in the total development cost of a proposed project. Current Housing Authority legal fees are $25,000 and are to be paid at the close of the escrow (additional $2,500 for City Attorney fees on 4 percent tax-exempt Multifamily Housing Revenue Bond projects). • Compliance Monitoring Fee. Compliance monitoring fees must be incorporated into the operating pro forma. Borrower will pay the fee in accordance with the City fee schedule. Current annual fees are as follows: ○ $201 per monitored unit • Third-Party Construction Review Fee. The Housing Authority may require a third-party review of the construction costs/budget to determine the reasonableness of construction hard costs, post award. The third-party reviewer will be selected by the Housing Authority and paid for by the borrower. Current fees are up to $12,500 and are to be paid at close of escrow.
Financing Gap	The borrower will cover any financing gap that arises after the Housing Authority underwriting, with its equity, its developer fee, and/or other non- Housing Authority sources, all of which shall be subject to the approval of the Housing Authority in its sole and reasonable discretion.
General Contractor	The Construction Contract shall be competitively bid to at least three qualified General Contractors or three qualified subcontractors for each major trade involved in the construction of the Project. Contracts shall be awarded to the lowest most qualified and responsive bidder (affiliated General Contractors are allowed). The General Contractor is subject to Housing Authority approval. Negotiated contracts are prohibited, and work must be bid down to all subcontractors.
Insurance	The borrower shall at all times during the term of the loan maintain General Liability and Property Insurance in a form acceptable to the City and the Housing Authority and approved by the City's General Counsel. The City and the City of National City Housing Authority shall be listed as additional insureds for General Liability Insurance and Property Insurance, and the City and the City of National City Housing Authority shall be endorsed as a loss payee of the Property Insurance.
Interest	4 percent simple interest
Limited Partnership Fee Limits (Tax Credit Financed Projects)	If applicable, year 1 limited partnership fees shall be capped at $25,000. Partnership fee increases will be capped at 3 percent annually. Unpaid General Partner fees shall not accrue. The Housing Authority will require the Limited Partnership Agreement to include this requirement.
Loan Amount	Negotiable

Loan Disbursements	Disbursement shall be upon submittal and approval of eligible costs. Disbursement schedule shall be as follows, if the project is tax credit financed: • Up to 75 percent at escrow closing; • 10 percent at 50 percent of completion; • 10 percent upon project completion; • 5 percent (contingency) upon conversion to permanent loan. The Housing Authority Executive Director, is authorized to modify the loan disbursement schedule in his/her sole reasonable discretion, for good cause shown. Loan proceeds are disbursed for work completed upon Housing Authority approval of payment requests in a form approved by the Housing Authority. Verifiable documentation of expense must be submitted with all payment requests.
Loan Term	***Rental Projects*** 55-year minimum ***Ownership Projects*** 4-year minimum
Loan Payments	Regularly scheduled payments from amortized payments or residual receipts are required. • Amortized loans shall be repayable for a maximum term of 55 years at 4 percent simple interest with the first payment due at the end of the first calendar year after project completion. • Residual receipts loans shall be repayable for a maximum term of 55 years at 4 percent simple interest with the first payment due at the end of the first calendar year after project completion. • All principal and interest shall be due and payable concurrently with any sale, transfer, conveyance or cash-out refinancing of the property. The Housing Authority's portion of residual receipts will be: If no other public lenders: o Years 1-55: 50 percent of residual receipts to the Housing Authority If other public lenders: o Proportionate split of residual receipts The Housing Authority defines residual receipts as the net cash flow of the development after specified expenses and must pay debt service. The standard payment formula is the lesser of the amortized payment or 50 percent of residual cash flow, with a minimum payment of one-half of estimated first-year residual cash flow starting at the end of the first year after project completion. In the event that the project loan is rolled over into direct homeowner assistance, the assistance loan(s) must be repaid with interest on the sale or transfer of the unit, unless the unit is resold to a qualified low-income household. The project must ensure that there is a deed restriction or other legally enforceable retention mechanism to ensure compliance. Loans for ownership projects are provided at 4 percent simple interest for a minimum term of 4 years.
Managers' Units	Experienced on-site property management is required. The number of managers' units must be in conformance with lender and local, state and federal requirements.
Maximize Other Funding Sources	The borrower is required to pursue the maximum available financing from other sources. If awarded, these other sources of funds would be used first to pay Housing Authority-approved cost overruns and/or reductions in estimated funding. The remaining additional proceeds, as allowed by CTCAC, would reduce the Housing Authority's permanent loan.

Maximum Per-Unit Total Development Costs (TDC)	$495,000
Operating Expenses	As required by CTCAC. https://www.treasurer.ca.gov/ctcac/2021-operating-expense-minimums.pdf
Property Manager Fee	The borrower's proposed property manager's fee must be reasonable and is subject to the Housing Authority approval.
Purchase Option	Tax Credit Structured Projects must provide the Housing Authority with the first option to purchase at the end of the 15-year tax credit compliance period, or at the end of the Housing Authority loan term, whichever is first.
Recourse	The Housing Authority's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
Reserves	Allowable reserve categories are limited to the following: Replacement Reserves, Operating Reserve, and a Rent Up Reserve. The Housing Authority, in its sole discretion, reserves the right to require adjustments to any of the allowable reserves. Replacement Reserves and Operating Reserves must be consistent with CTCAC requirements and/or with the requirements of the most restrictive funding source proposed. The Housing Authority, in its sole discretion, reserves the right to require higher operating or replacement reserves. Replacement reserves for multifamily rental projects shall not exceed $300.00 per unit, per year. Operating Reserves shall be no less than three (3) months and no more than six (6) months of operating expenses and debt service. Rent-up reserves shall not exceed $300.00 per unit. Any funds remaining in the rent-up reserves account will be transferred to the replacement reserve account. Prior to the loan closing, the borrower will be required to document to the Housing Authority's satisfaction any funds disbursed from this account. All unexpended funds remaining in project reserve accounts must remain for project use during the term of the Housing Authority's loan or the project Extended Use Period, whichever is longer. The limited partnership agreement must include a provision addressing the terms and conditions for disbursement from the reserve accounts that specifically states that upon the transfer of any ownership interest or at the end of the compliance period, whichever is earlier, any funds remaining in the reserve accounts must remain with the project for the term of the Housing Authority's loan or the Extended Use Period, whichever is longer. Existing developments applying for tax credits and/or refinancing will be required to show existing reserves as a source. Any amounts greater than these limits require a detailed explanation by the developer and prior approval by the Housing Authority.
Security	The Housing Authority's loan shall be evidenced by a Loan Agreement, Promissory Note and Deed of Trust.

Underwriting Vacancy Rate Assumption	5 percent

2.2.1 Limitations on Swapping Awards

With bond allocations now being competitive, it is critically important that funds are awarded to projects that are ready to move forward in an effort to align limited Housing Authority resources with timely unit production to address the affordable housing shortage in National City.

To ensure the efficient use of program funds, applicants seeking to change funding sources, specifically from a 9 percent tax credit to a 4 percent tax credit or vice versa, must obtain prior written approval from the Housing Authority. Applicants will be required to submit a revised pro forma and timeline for execution, as well as the rationale for the request to change funding or other needed documents as the Housing Authority deems needed in its sole discretion to evaluate the project.

2.2.2 Loan Commitment Reservation Period

Upon issuance of an award letter, funds will be reserved for 24 months. Time extensions may be granted upon successful funding award of other funders, at the sole discretion of the Housing Authority. The Housing Authority reserves the right to cancel its fund reservation if the Housing Authority loan has not closed escrow/commenced construction by the end of the 24th month.

Fund reservation time extensions may be granted at the sole discretion of the Executive Director of the Housing Authority, or designee. If applicable, the Housing Authority loans are contingent upon the applicant obtaining commitments from all other necessary sources of funding. The Housing Authority reserves the right to cancel fund reservations for developments not proceeding in compliance with the timeline as proposed by the applicant in their loan application.

2.2.3 Loan Termination or Reduction

Loan commitments or agreements may be reduced or terminated if the Housing Authority determines, in its sole discretion that:

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

This is not an exhaustive list and the Housing Authority reserves the right in its sole discretion to terminate or reduce the loan amount.

2.3 AFFORDABILITY TARGETING

See Attachment A (Area Median Income Limits for San Diego County, CTCAC Rent Limits, Monthly Utility Allowances). Maximum rents must be adjusted downward by an allowance for tenant-paid utilities in accordance with the HUD Utility Schedule Model where instructions may be found at www.huduser.org/portal/resources/utilallowance.html.

The Area Median Income (AMI) range for household income can be higher than the rent or sales price restrictions to ensure a range of household income levels are served. Rents and tenant incomes will be annually reviewed for compliance by the Housing Authority.

2.3.1 Minimum Affordability – Rental Projects

Proposed projects must provide units (excluding managers' units) affordable to low-income households as follows:

- One hundred percent (100%) of units funded with Housing Authority funds must be restricted as affordable at or below 60% AMI.
- Rents for affordable units must be the lesser of the designated restricted rent limit or ten percent (10%) below market rate within a 1 mile radius.
- At least twenty percent (20%) of the affordable units must have annual rents plus utility allowance of no more than 30% of 30% AMI, and be reserved for very low income households earning less than 30% AMI.
- No more than fifteen (15%) of the affordable units may have annual rents plus utility allowance between 30% of 80% AMI and 30% of 120% AMI (Moderate-Income Units).

Priority will be given to projects that exceed the threshold affordability minimums. Affordability restrictions apply for the full term of the regulatory agreement, regardless of whether another subsidy source continues to be available.

2.3.2 Minimum Affordability – Ownership Projects

- One hundred percent 100% of units funded must be restricted as affordable.
- The affordable units must have an average affordability level of 100% AMI or less. For example, in a 26 unit project, 10 units could be targeted to households at 120% AMI, 10 units at 80% AMI, and 6 units at 100% AMI.
- Priority will be given to projects targeting some units to households at 80% of AMI or below.
- Households with incomes up to 120% of AMI are eligible for assisted units, provided the average affordability level of the affordable units is 100% of AMI or less (see example provided above).

See Attachment B for Affordable Home Prices.

2.4 FINANCING GUIDELINES

2.4.1 Minimum and Maximum Loan Amounts

- The maximum Housing Authority loan amount is forty percent (40%) of the total residential development cost of the project's affordable units (those units subject to long term affordability restrictions).
- If applicable, the value of any Housing Authority land donations will be counted as part of the maximum allowable subsidy total.
- Please round requested loan amounts to $1,000 increments.
- Other sources of appropriate financing must be identified, but not necessarily committed, at the time of application. Projects will be reviewed to ensure that only the minimum level of Housing Authority subsidy needed will be provided. All other sources of funding must be committed before closing of the Housing Authority loan.

2.4.2 Construction Contingency

A minimum of 15% construction cost contingency for new construction and for rehabilitation projects is required.

2.4.3 Maximum Per-Unit Total Development Costs (TDC)

There is a maximum residential development cost of $495,000 per unit for projects receiving funding through this NOFA. The Housing Authority reserves the right in its sole discretion to reject any and all applications if total development costs, as provided in an application's development budget, exceed this amount. The Housing Authority reserves the right to increase the limit, however, in exceptional circumstances where the Housing Authority, in its sole discretion, determines that such increase will contribute to the Housing Authority's goal of creating additional housing, including but not limited to situations where underground parking is being proposed.

2.5 DEVELOPER FEE LIMIT

The maximum Developer Fee shall be the same as the maximum allowed under the State Tax Credit Allocation Committee regulations for those projects that have been or will be awarded Low-Income Housing Tax Credits, as adopted at the time this NOFA was issued. For projects not receiving Low-Income Housing Tax Credits, the maximum Developer Fee shall be the same as the maximum allowed under the State of California Housing and Community Development 2017 Uniform Multifamily Regulations.

3.0 Evaluation Criteria

Complete applications will be scored in the following categories. Maximum points in each category are noted.

Please note that points will be rounded to the nearest ¼ point. Projects scoring less than 50% of possible points are unlikely to be awarded funding. In all cases, points are awarded for exceeding, rather than meeting, the threshold requirements for the category.

The discussion following contains a more detailed description of the criteria.

Criteria	Points Available
1. Readiness	45
a. Indicated and Sufficient Evidence of Funding Sources	2
b. Innovative Financing	8
c. Leveraging	10
d. Funding Commitments	10
e. Site Control and Anticipation of Entitlements	15
2. Developer Experience and Capacity	35
a. Project History	10
b. Developer Experience, Capacity & Staffing	10
c. Developer Financial Strength	5
d. Strength of the Development Team	4
e. Bonus Point Category	6
3. Project Budget	15
4. Amenities & Community Space	5

Criteria	Points Available
5. Location	25
a. Geographic Equity	5
b. Neighborhood Revitalization	5
c. Proximity to Nearby Amenity: Public Transit	5
d. Proximity to Nearby Amenity: School	2
e. Proximity to Nearby Amenity: Community Center or Public Park	4
f. Proximity to Nearby Amenity: Grocery Store	4
6. Target Population and Project Attributes	15
a. Income Targeting	10
b. Unit Size	5
7. Collaboration & Planning	15
a. Local Planning Efforts	4
b. Community Engagement	6
c. Addressing Community Needs	5
Total Points Available	**155**

3.1 READINESS (MAXIMUM 45 POINTS)

a. All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included (2 points).
b. Innovative Financing – Narrative description of the financing approach to fund the project (8 points).
    i. Describe the Development Team's financing approach to the project and present preliminary financing plan that shows a feasible project consistent with current Housing Authority underwriting practice.
    ii. Include the Team's process for structuring the project and controlling development costs. Including cost fluctuations due to COVID (the pandemic)
    iii. Include innovative strategies intended to minimize Housing Authority's projected capital gap financing.
    iv. Applicants must provide a narrative that describes any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.
c. Leveraging – Degree to which outside funding will be pursued (10 points).
    The Housing Authority's federal, state and local capital funds are intended to fill the gap in a project's financial structure after all other available sources of housing capital funds are utilized. Such "other available funds" may include, but are not limited to: private bank loans, equity from the sale of low-income housing tax credits, owner equity, sale of tax-exempt Multifamily Housing Revenue bonds, state and federal funding, grants and donations, and other public and private sources of funds. Projects must demonstrate that they have applied (or will apply within the next 90 days after application submission) for additional sources other than senior debt, tax credits and bonds and Housing Authority gap financing. Applicants must provide the following supporting documents, including but not limited to:
    i. Copies of award letters, where applicable,

ii. Letter of Intent (from the tax credit investor),
iii. Term Sheet from bank,
iv. If the project has not yet applied to other available funds, but will apply within the next 90 days after submission to this NOFA, this must be included in the Project Timeline.

The above list provides examples and is not an exhaustive list.

d. Funding Commitments – degree to which outside funding has been committed (10 points).
    i. Points will be given based on non-Housing Authority financing currently committed to the project, as follows:

Leveraged Financial Resources as a Percent of Total Development Cost Greater than:	Points
5%	1
10%	2
15%	3
20%	4
25%	5
30%	6
35%	7
40%	8
45%	9
50%	10

e. Site Control and Anticipation of Entitlements – Applicant has site control, and the project is anticipated to receive entitlements and community support by showing one of the following (15 points):
    i. Entitlement Application Submittal to City of National City or Preliminary Review Request. Applicants must provide proof of submission, such as a copy of the invoice from the City of National City.
    ii. Entitlement Approvals or Confirmation from City of National City that project may proceed with staff approvals. Applicants must submit a clear and legible scanned copy of the approved development permit, variance, or other discretionary approval from the City. Should the project be ministerial/by right, the applicant shall submit evidence of this by providing verification of zoning for the parcel(s) and the APN's, and a parcel map. The Housing Authority may request additional documentation

3.2 DEVELOPER EXPERIENCE AND CAPACITY (MAXIMUM 35 POINTS)

f. Project History (10 points)
    i. Points are awarded for completing an affordable housing projects on time and within budget within the last ten years (by the Developer, not other team members). 2 points will be awarded for each completed project (up to 6 points).
    ii. Points will be given for completing a project similar to the proposed project by the Developer within the last ten years. 2 points will be awarded for each additional similar project (up to 4 points).

iii. If the developer is a joint venture, projects will be scored based on the experience of the lead developer. Where partners have approximately equal participation, the individual scores of each partner will be averaged.

g. Developer Experience, Capacity & Staffing (10 points)
   i. Points are awarded based on evidence that the staff, including the Project Manager and supervisory staff, proposed to work on the current proposal have the necessary experience and that the organization has adequate staffing capacity to undertake the project.
   ii. Developer/Applicant Experience: Must detail demonstrated, successful experience in developing affordable rental housing, successful operation of completed developments, capacity to perform the administrative, managerial, and operational functions to oversee the work necessary to successfully complete the proposed development. The Housing Authority reserves the right to limit the number of projects funded and under construction. The Housing Authority reserves the right to require third-party review of the developer/applicant's experience and capacity.
   iii. General Contractor Experience: Must include a resume (of the general contractor) that demonstrates successful experience in projects that are similar in type, scale and complexity to proposed project.
   iv. Construction Management Experience: Must include a resume of the construction manager that demonstrates the necessary construction management experience to complete the proposed multifamily rehabilitation project. At a minimum, the resume must include the length of time in the field of construction management of multifamily housing and a list of projects, tasks and or experiences, including occupied in-place rehabilitation that demonstrate the necessary construction management experience to complete the proposed renovation project.
   v. Project Management Experience: Must include a resume of the project manager that demonstrates a capacity to oversee the project. The resume must include the length of time managing affordable housing, and specific examples of projects managed, tasks and or experiences that demonstrate the necessary project management experience required to complete the proposed project.
   vi. Property Management Experience: Must include a resume of the project manager that includes, but is not limited to the following details:
      - A list of properties currently managing - categories (supportive, large family, etc.) of affordable housing managed by subject organization,
      - Examples of experience with specific affordable housing finance and corresponding regulatory programs to date, and\
      - Subject organization experience providing property management and or regulatory compliance and reporting services to projects similar to that of the proposed project.

h. Developer Financial Strength (5 points)

i. Points are awarded based on evidence that the Developer is financially sound and will be able to sustain the costs of effectively following through with the current proposal, based on review of current interim and previous years audited financial statements.
ii. Provide audited financial statements for the development team for the past two years. If audited financial statements are not available, please submit evidence of the development team's financial capacity to develop the proposed project (including income statements, balance sheets, statement of owner's equity, and cash flow statements, etc.) for the three most recent years.

i. Strength of Development Team (4 points)
    i. Points are awarded based on the provided experience of the Development Team members (Developer Principals, Property Manager, Attorney, Architect, Financial Consultant, etc.) ..

j. Bonus Point Category (maximum of 6 points)
    i. 2 points will be awarded if within a joint venture partnership, the less experienced partner is allowed first right of refusal to purchase the land and/or building after the 15-year tax credit compliance period
    ii. 2 points will be awarded for projects that align with Housing Authority's goals, objectives, and actions outlined in the Housing Authority's Strategic Housing Plan and 2021-2029 Housing Element
    iii. 2 points will be awarded for committing ground floor commercial space at below market rates (e.g., non-profit organizations and arts & cultural users)

3.3 PROJECT BUDGET (MAXIMUM 15 POINTS)

k. Project budget is complete and anticipated development costs are reasonable.

3.4 AMENITIES & COMMUNITY SPACE (MAXIMUM 5 POINTS)

l. The project has adequate open space and community serving areas such as a computer room, social services office space, bike storage, and community room with kitchen.

3.5 LOCATION (MAXIMUM 25 POINTS)

Projects will be awarded a maximum of 25 points. Distance must be measured using a standardized radius from the development site to the target amenity unless that line crosses a significant physical barrier or barriers. Such barriers include highways, railroad tracks, regional parks, golf courses, or any other feature that significantly disrupts the pedestrian walking pattern between the development site and the amenity. The radius line may be struck from the corner of development site nearest the target amenity, to the nearest corner of the target amenity site. However, a radius line shall not be struck from the end of an entry drive or on-site access road that extends from the central portion of the site itself by 250 feet or more. Rather, the line shall be struck from the nearest corner of the site's central portion. Where an amenity such as a grocery store resides within a larger shopping complex or commercial strip, the radius line must be measured to the amenity exterior wall, rather than the site boundary. The resulting distance shall be reduced in such instances by 250 feet to account for close-in parking.

m. Geographic Equity: (5 points)

i. 5 points will be awarded for rental projects located in census tracts with percentage of low/mod income persons at or above 51%, as shown in Attachment C (Map of Low and Moderate-Income Areas in National City).

n. Neighborhood Revitalization: (maximum 5 points)
   i. Points will be awarded to projects which include or combine the following, as evidenced in the Neighborhood Narrative and Revitalization Description of the Application.
      - Contribute to an existing or planned pattern of targeted redevelopment such as a Specific Plan Area or Priority Development Area (housing or commercial development, streetscape improvements, etc.) occurring within 1/4 mile of the project site.

o. Proximity to High-Quality Transit: (maximum 5 points)
   i. Applicant provides a map with pin drop of the property to the transit in Google Maps, using walking directions.
   ii. Projects will be awarded 5 points if they are within 0.5 miles of a bus station, light rail station, or bus stop that provides service at least every 30 minutes during the hours of 7-9 a.m. and 4-6 p.m., Monday through Friday.
   iii. If frequency and hours cannot be met but the project is still within 0.5 miles, 3 points will be awarded.

p. Proximity to School: (2 points)
   i. Applicant provides a map with pin drop of the property to the identified school(s) in Google Maps, using walking directions.
   ii. Projects will be awarded 2 points if they are within 0.5 miles of a school.

q. Proximity to Community Center or Public Park: (maximum 4 points)
   i. Applicant provides a map with pin drop of the property to the identified community center or public park in Google Maps, using walking directions.
   ii. Projects will be awarded 2 points if they are within 0.5 miles of a public library or community center that is open at least 5 days a week to the general public.
   iii. Projects will be awarded 2 points if they are within 0.5 miles of a public park.

r. Proximity to Grocery Store: (maximum 4 points)
   i. Applicant provides a map with pin drop of the property to the identified full-scale grocery store in Google Maps, using walking directions.
   ii. Projects will be awarded 4 points if they are within 0.25 miles of a full-scale grocery store or include a food market as part of the development.
   iii. Projects will be awarded 2 points if they are within 0.50 miles of a grocery store.

3.6 TARGET POPULATION AND PROJECT ATTRIBUTES (maximum 15 points)

s. Income Targeting: (10 points)
   i. Points are awarded for rental projects providing more low income rental units than the threshold requirement. For the threshold requirement, 20% of units must be set aside serving extremely low income households with rents no more than 30% of 30% of AMI.
      - 2 points will be awarded for each additional full one-percent of affordable units with restricted rents at or below 30% of 20% of AMI.

- 1 point will be awarded for each additional full one-percent of affordable units with restricted rents at or below 30% of 30% of AMI.

t. Unit Size: Number of larger units (5 points)
    i. Points are awarded for the number of units provided with 2, 3, or more bedrooms. Family projects are required to include a threshold minimum 15% of 3+ bedroom units.
    ii. ½ point will be awarded for each 20% of units that have 2 bedrooms.
    iii. 1 point will be awarded for each additional 5% of units with 3 bedrooms or larger (above the minimum threshold).

3.7 COLLABORATION AND PLANNING (MAXIMUM 15 POINTS)

u. Local Planning Efforts (4 Points)
    i. 0 points will be awarded if there is no identified local plan or planning effort that the Project implements.
    ii. Up to 2 points will be awarded if there are vague answers regarding local plans or planning efforts being implemented.
    iii. Up to 4 points will be awarded if there is explicit detail on integration of local planning efforts that include multiple program goals (e.g., housing, active transportation, community connectivity, transit oriented development) in the Project.

v. Community Engagement (6 points)
    i. 0 points will be awarded if CBOS and residents were not informed of or involved in Project development. No community outreach plan is laid out for future engagement.
    ii. Up to 2 points will be awarded if CBOs and residents were informed of, but not involved in, Project development. Plan is laid out for future engagement, but provides no or minimal details.
    iii. Up to 4 points will be awarded if CBOs and residents were brought into Project development process after Project component selection. Plan is laid out for future engagement but does not consider how to ensure broad CBO or resident participation.
    iv. Up to 6 points will be awarded if CBOs and residents were involved from initial visioning of the Project, and a clear, detailed plan is laid out for how they will be engaged as Project moves forward. There were strong efforts made by the applicant to create opportunities for involvement accessible to all Project Area residents, including the area's most vulnerable populations.

w. Addressing Community Needs (5 points)
    i. 0 points will be awarded if no engagement was conducted to identify community needs was performed. Community needs beyond housing and transportation are not addressed.
    ii. Up to 1 points will be awarded if no or limited engagement was conducted to identify and meet community needs. Community needs beyond housing and transportation are not addressed.

iii. Up to 3 points will be awarded if engagement was conducted to identify community needs, and requested community input on how to meet those needs.
iv. Up to 5 points will be awarded if an in-depth engagement process was conducted to identify community needs, and incorporated community input on how to meet those needs.

4.0 Application

4.1 COVER LETTER

The proposal must include a cover letter, limited to two pages, on official letterhead that provides a description of the project. The letter must also provide contact information for the person with authority to negotiate on behalf of the development team. The Applicant must certify that the proposal response and exhibits are true and correct at the time of submittal. An unsigned and/or undated submission will not be considered.

The cover letter should include but is not limited to the following:

- Summary Information
  - Amount requested
  - Number and size of units (number of bedrooms)
  - Target population served
  - Location
  - Total Development cost
- Site Information
  - Current use of site
  - Distinguished features
  - Any environmental issues
- Physical Characteristics
  - Type of construction
  - Number of stories
  - Location
- Amenities and Services
  - Common facilities and amenities
  - Resident service programs (if included)
- Funding Type Limitations
  - If the use of federal funds creates a significant feasibility problem, this should be explained in the application cover letter.

Application Checklist Item(s): Narrative Cover Letter

4.2 APPLICATION

An application form is provided as Attachment E and should be included in your application along with the following:

4.2.1 Application Information & Project Summary

If the Applicant is not acting as the developer, please provide all of the requested information for the developer as well as for the Applicant. If the developer involves multiple entities, please provide all the requested information for each entity, and identify the entity that will serve as the "lead" organization.

Include a summary of the project including project name, site address, existing conditions, project's housing units mix, and other components identified in the application form.

Application Checklist Item(s): Application Information & Project Summary in Application Form

4.2.2 Development Team Members Resume & Capacity

Include resumes of development team members. Resumes should provide the name, address, contact person, telephone number, and e-mail address for members of the proposed project team. Identify the developer principals and project manager, architect, civil engineer, contractor, construction manager, property manager (if applicable), owner (if different than developer) and social services provider (if applicable). If known, identify the lenders, attorneys, accountants, subcontractors, and consultants. Resumes of the development team members should also include detailed description of experience.

Include Attachment H (Developer Capacity Worksheets) for the development team members. These worksheets should provide name of project staff, their role in other current or planned developments, years of relevant experience, and years with this developer.

Include an organizational chart the partnership that shows all the relative equity relationships of the corporate entities that comprise the overall organization.

Application Checklist Item(s): Development Team Resumes & References, Developer Capacity Worksheets, Organizational Chart

4.2.3 Applicant Experience and References

Provide a description of experience of the development team in the following form:

- At least one project and no more than five projects that are similar to the project being proposed. See Attachment F for Developer Experience Worksheets. The following information should be provided for each project:
    - Site location;
    - A narrative description of the project's characteristics;
    - Number of units in the project;
    - The total project costs;
    - The income and affordability restrictions that were imposed on the project;
    - Identification of any public financial assistance that was provided to the project;
    - The role the Applicant played in the project; and
    - Contact information for a representative of the jurisdiction in which the project is located.

Application Checklist Item(s): Developer Experience Worksheets

4.2.4 Site Control and Demonstration of Value

Include evidence of site control, and provide a real estate appraisal or current tax documentation that substantiates the value of the property. Applicants must have control of the project site through one of the following methods:

- Fee title,
- Option to purchase,
- Land sales contract,
- Leasehold with development provisions,
- Purchase and Sale Agreement, or
- Any other enforceable instrument.

Application Checklist Item(s): Evidence of Site Control, Real estate appraisal or current tax documentation that substantiates the value of the property

4.2.5 Zoning

At the time of application, applicants must demonstrate that the project's zoning will permit the scope of development as proposed. If the project's zoning will not permit the scope of development proposed, the applicant must demonstrate to Housing Authority's satisfaction that all discretionary land use approvals can be granted within 180 days of the application submittal.

Applicants must:

- locate the project site on the most recent City zoning map; and
- provide a copy of the Verification of Zoning and Land Use Entitlement Approvals that is submitted for tax credit applications; or
- A zoning confirmation letter from the City; and/or
- Explain how you plan to obtain the necessary approvals within 180

Application Checklist Item(s): Project Zoning Map and Evidence of Entitlement Approvals

4.2.5 Tenant Relocation

If the project is occupied at the time of proposal submission, include a Tenant Relocation Plan. The developer is responsible for providing tenant relocation assistance should the proposed project require or result in the temporary or permanent displacement of current tenants. The Plan must include, at a minimum, the following:

- Total number of households in the project and number of households to be permanently or temporarily displaced.
- A list and description of all households to be temporarily or permanently displaced (include current address, name, household size, and ages of the household members).
- Circumstances under which the displacement is necessary.
- Description of assistance to be provided and a schedule for assistance.
- Source(s) of funds to be used for relocation assistance.
- Procedures/methods by which those being displaced will be advised of their rights and available assistance.

Application Checklist Item(s): Tenant Relocation Plan (if applicable)

4.2.6 Evidence of Construction Scope and Cost Estimate

Applicants must provide:

a. A detailed Scope of Work (SOW). The SOW for projects with rehabilitation must include areas that need assistance, especially all health and safety issues; and
b. A Third-Party Cost Estimate that includes, at a minimum, the items identified in the SOW.

Application Checklist Item(s): Detailed Scope of Work and Third-Party Cost Estimate

4.2.7 Commercial Space Funding

Housing Authority capital funds cannot be used to fund commercial/retail space. Applications must show non-Housing Authority sources of funds for any commercial space in the project (including acquisition cost and/or rehabilitation cost) on the project pro forma or state in the General Application narrative that Housing funds will not be used as a source for commercial/retail spaces.

Related application checklist Items: Pro Forma Analysis and/or Project Narrative

4.2.8 Other Funding Sources

Identify the other funding sources proposed to be used to pay for the project costs. Identify any funding sources that have already been committed to the project, funds for which applications have been submitted, and funds for which applications are anticipated to be submitted. Applicants should maximize the use of available state and county funding to reduce the subsidy needs from the city. The total funding sources, including the proposed loan, must equal the estimated development costs for the proposed project.

Application Checklist Item(s): Other Funding Sources Supporting Documentation

4.2.9 Project Timeline

Applicants must provide a timeline for the proposed project that includes the projected date of all major development benchmarks related to financing, entitlements, community approvals, construction, and lease up. If the development timing is anticipated to vary across several properties to be involved in the project, provide a development timing schedule for each property

Application Checklist Item(s): Project Timeline in Application Form

4.3 PROJECT NARRATIVE

Provide a project narrative for the questions listed below. The project narrative is a word-processed document of not more than 10 single-spaced pages responding to the questions listed below. The document should be a font size of 10 with 1-inch margins.

- ***Question 1*** - The purpose and the scope of the project.
- ***Question 2*** - Identify the neighborhood the project will serve.
    - Include narrative about: The current uses of the project site and surrounding area; A general description of the neighborhood character including typical land uses; Local building construction type and condition.
    - All appropriate land use designations must be satisfied prior to financing close.

- ***Question 3*** - Describe how the proposed project will contribute to the overall enhancement and revitalization of the neighborhood.
    - Specifically, discuss: How the proposed project will impact its immediate surroundings. The Specific Plan Area or a Priority Development Area, identify the Area, if applicable. How the proposed project will prevent the displacement of low-income residents. The average income of the census tract in which the project is located
- ***Question 4*** - Document neighborhood services (public transportation, schools, shopping, etc.).
- ***Question 5*** - Identify what local planning efforts the Project implements, and if applicable, describe what particular components of the Project are derived from a local plan.
- ***Question 6*** - Describe how the project aligns with the Housing Authority's Strategic Housing Plan and 2021-2029 Housing Element
- ***Question 7*** - Describe how community-based organizations and local residents have been meaningfully involved in the visioning and development of this Project. Explain in which stage(s) of the process community members and CBOs have been and will be engaged. Describe efforts to involve Disadvantaged and/or Low-Income Community residents, including how meetings were advertised and made accessible.
- ***Question 8*** - Discuss the process and timing to receive entitlement approvals. If available, provide proof of entitlement.
- ***Question 9*** - Describe the innovative strategies for the financing approach and processing for structuring the project and controlling development costs to fund the proposed project.

Application Checklist Item(s): Project Narrative

4.4 PROJECT VICINITY MAP

A map showing the project site is required. The map should include a conceptual site plan for a new construction project. The map should clearly delineate the project site boundaries, major cross streets, and surrounding neighborhoods.

Application Checklist Item(s): Project Vicinity Map and Conceptual Plans

4.4.1 Project Maps of High-Quality Transit and Community Services

A map with pin drop of the property to the transit in Google Maps, using walking directions. A map with pin drop of the property, to the Community Services (school, community center or public park, full-scale grocery store) in Google Maps, using walking directions.

Application Checklist Item(s): High-Quality Transit Project Map and Community Services Project Map(s)

4.5 PROJECT PRO FORMA

Include a pro forma analysis for the proposed project. The pro forma analysis should include the following:

- Estimated Development Costs
    - Include Direct, Indirect, and Financing Costs
- Estimated Annual Net Operating Income for 55 years
    - Include monthly and annual revenue by income unit

    - Include Annual expenses such as general operating expenses, property tax expense, reserves deposits
- Sources of Funds Statement
    - Include Construction Period Financing Sources
    - Include Permanent Funding Sources

Applicants should not include project base vouchers in the pro forma unless there is a standing commitment between applicant and the Housing Authority.

Application Checklist Item(s): Pro Forma Analysis

4.6 OUTREACH EFFORTS

Include an Outreach Plan and evidence that a minimum level of community outreach has been achieved or will be achieved. Applicants must contact neighborhood organizations in the vicinity of the proposed development.

The Outreach Plan should describe how you will build support for your project and address community concern, including a list of all individuals and organizations with whom you have met or will meet to discuss the project, and the approximate dates of each phase of the plan.

The evidence of community outreach plan can include the following:

- Copy of announcements of the meetings (flyers, advertisements, etc.)
- Copy of the agenda for the meetings
- Copy of handouts or other information used, including reductions of material presented on easel boards
- Sign-in sheets from community meetings
- Minutes of the community meeting

Application Checklist Item(s): Outreach plan

4.7 NEIGHBORHOOD AND LOCAL GOVERNMENT SUPPORT

Include letters of support from local organizations and governmental entities within the area of the proposed project. The Housing Authority cannot provide a letter of support.

Application Checklist Item(s): Support Letters

4.8 PRELIMINARY MANAGEMENT AND MARKETING PLAN

A Preliminary Management Plan and Marketing Plan or Marketing and Sales Plan must be submitted in the application.

For rental projects, a Final Management and Marketing Plan will be required 180 days prior to construction completion and a Management Contract must be submitted to the Housing Authority 90 days prior to construction completion. The final Marketing Plan must be approved prior to beginning rent-up activities, including marketing flyers and application materials.

For ownership projects, the Final Marketing and Sales Plan must be approved prior to commencement of construction and marketing of units. Developers must include pre-purchase homebuyer counseling, offer post-purchase counseling for at least one year, and provide one year home warranties.

Application Checklist Item(s): Marketing Plan

4.9 MARKET DEMAND

Applicants must verify the market demand for the proposed housing by providing a brief market demand narrative and include market study, rental survey, recent sales comparables, or an alternative acceptable to the Housing Authority. The market demand narrative is a word-processed document of not more than 3 single-spaced pages for rental projects and 4 single-spaced pages for ownership projects responding to the questions listed below. The document should be a font size of 10 with 1-inch margins.

- **Question 1** - Describe how the rent or sales price survey provided in the application demonstrates that there is a strong demand for the proposed project and how the project will ensure lease-up or sales on schedule.
- **Question 2** - (Ownership projects) Provide an explanation of how you will ensure that homes will be in contract with a buyer within 6 months of construction completion.
- **Question 3** - Describe how the proposed development may impact demand for other existing affordable housing developments in the market area.
- **Question 4** - Provide other evidence of need for the project, such as how the proposed project provides for needed housing as identified in the City of National City's 2021-2029 Housing Element, or other evidence of market demand.

All projects must also provide a market study or survey, as described below:

Ownership Projects: Provide comparable sales prices for recently sold homes within two miles similar in square footage and unit type to the proposed units, or provide a market study, that is no more than 1 year old. Applicants may include lists of recently sold homes from websites such as www.zillow.com or www.realestateabc.com (whichever site has the most recent sales), or local newspaper or other listings of recent home sales. Proposed prices should be sufficiently below market prices.

Rental Projects: A market study or rental survey must be submitted that is no more than 1 year old. Rental surveys do not need to be completed by a third-party consultant and can be completed in lieu of a market study at the time of application. The rental survey should include a summary of the closest three affordable and three market rate comparables, including their distance from the project, population served, number of units by bedroom size, rent by unit size, service and on-site amenities.

Mixed Use Projects: In addition to the above, also provide:

- Evidence of demand for commercial/retail space and marketability of space, or at least half the commercial/retail space pre-leased;
- Information from brokers on vacancy rates, turnover rates, and market rents in the neighborhood;
- Evaluation of the neighborhood's retail environment and relative merits of the newly proposed commercial space.

If your organization maintains a waiting list of individuals interested in renting a unit from your organization, indicate how many persons or families are on the waiting list and how many of those persons or families are prequalified. In trying to meet local housing needs, the City adopted a local preference policy (Resolution No. 2016-38) that gives preference to applicant households that are currently residents of National City to the maximum extent allowed by law to rent new affordable housing development projects in the City of National City for the initial lease-up of all units restricted at or below 80% of AMI.

Application Checklist Item(s): Market Demand Narrative and Market Demand Evidence

4.10 APPLICANT FINANCIAL STATEMENTS/CAPACITY

Provide audited financial statements for the development team for the past two years. If audited financial statements are not available, please submit evidence of the development team's financial capacity to develop the proposed project (including income statements, balance sheets, statement of owner's equity, and cash flow statements, etc.) for the three most recent years.

Application Checklist Item(s): Financial Statements

5.0 Application Attachments

Attachment A – Area Median Income Limits for San Diego County, CTCAC Rent Limits, Monthly Utility Allowances

Attachment B – Affordable Home Price

Attachment C – Map of Low and Moderate-Income Areas in National City

Attachment C – Map of Home Ownership Rates in National City

Attachment D – Application Checklist

Attachment E – Application Form

Attachment F – Developer Experience Worksheets

Attachment G – Developer Capacity Worksheets

ATTACHMENT A – AREA MEDIAN INCOME LIMITS FOR SAN DIEGO COUNTY, CTCAC RENT LIMITS, MONTHLY UTILITY ALLOWANCES

Table 2. Area Median Income Limits for San Diego County by Household Size (2021)

Household Size	At or Under 30% AMI*	Over 30% to 50% AMI*	Over 50% to 80% AMI*	Over 80% AMI*
1	$0 - $25,450	$21,451 - $42,450	$42,451 - $67,900	$67,901 & Above
2	$0 - $29,100	$27,751- $48,550	$48,551 - $77,600	$77,601 & Above
3	$0 - $32,750	$31,201 - $54,500	$54,501 - $87,300	$87,301 & Above
4	$0 - $36,350	$34,651 - $60,600	$60,601 - $97,000	$97,001& Above
5	$0 - $39,300	$37,451 - $65,450	$65,451 - $104,800	$104,801 & Above
6	$0 - $42,000	$40,201 - $70,300	$70,301 - $112,550	$112,551 & Above
7	$0 - $45,100	$43,001 - $75,150	$75,151 - $120,300	$120,301 & Above
8	$0 - $48,000	$45,751 - $80,000	$80,001 - $128,050	$128,051 & Above

*Note: *Area Median Income listed above is for 2021, and new limits are released each year. To obtain updated information, go to the HUD Exchange and search for income limits for the San Diego area.*

Table 3. California Tax Credit Allocation Committee 2021 Rent Limits for San Diego County

Per HUD Notice
Effective: April 1, 2021

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
2021

Maximum Rents for Projects From Ceilings Post-1989 and Those from the Pre-1990 Ceilings That Elected with the Secretary of the Treasury* to use the Post-1989 Rents
**(See IRC Section 42 - Section 13142(c) of the Omnibus Budget Reconciliation Act of 1993)*
For Projects Placed in Service on or after 4/1/21+

County	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR
SAN DIEGO						
100% Income Leve	$2,122	$2,272	$2,726	$3,150	$3,514	$3,878
80% Income Leve	$1,698	$1,819	$2,182	$2,521	$2,812	$3,103
70% Income Leve	$1,485	$1,591	$1,909	$2,205	$2,460	$2,715
60% Income Leve	$1,273	$1,364	$1,636	$1,890	$2,109	$2,327
55% Income Leve	$1,167	$1,250	$1,500	$1,733	$1,933	$2,133
50% Income Leve	$1,061	$1,136	$1,363	$1,575	$1,757	$1,939
45% Income Leve	$955	$1,023	$1,227	$1,418	$1,581	$1,745
40% Income Leve	$849	$909	$1,091	$1,260	$1,406	$1,551
35% Income Leve	$742	$795	$954	$1,102	$1,230	$1,357
30% Income Leve	$636	$682	$818	$945	$1,054	$1,163
20% Income Leve	$424	$454	$545	$630	$703	$775

Source: California Tax Credit Allocation Committee 2021 Rent Limits Post 4/1/21+

Table 4. Monthly Utility Allowance

Monthly Utility Allowance
(Effective 10/01/2020 New Contracts; Effective 12/1/2020 Recerts)

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating						
Gas	3	4	5	6	8	9
Electric	5	8	10	12	15	17
Cooking						
Gas	2	2	3	4	5	5
Electric	3	4	6	7	9	10
Water Heating						
Gas	6	9	11	13	17	20
Electric	11	16	20	24	31	36
Other Electric						
Lights, etc.	17	24	30	37	47	54
Water	57	80	103	126	160	183
Sewer	18	25	32	39	50	57
Trash	36	36	36	36	36	36
Refrigerator Rental	7	7	7	7	7	7
Stove Rental	8	8	8	8	8	8

Source: Housing Authority of the City of National City Housing Choice Voucher Program

ATTACHMENT B – AFFORDABLE HOME PRICE

Household Size	Annual Income Limits (2019)	Affordable Costs		Utilities		Affordable Rent	Affordable Home Price
		Renters	Owners	Renters	Owners		
Extremely-Low Income (0-30% AMI)							
1-Person	$22,500	$563	$140	$140	$197	$423	$52,511
2-Person	$25,700	$643	$180	$180	$225	$463	$55,304
3-Person	$28,900	$723	$219	$219	$253	$504	$58,329
4-Person	$32,100	$803	$260	$260	$281	$543	$60,889
5-Person	$34,700	$868	$321	$321	$304	$547	$56,525
Very-Low Income (31-50% AMI)							
1-Person	$37,450	$936	$140	$140	$328	$796	$109,051
2-Person	$42,800	$1,070	$180	$180	$375	$890	$119,975
3-Person	$48,150	$1,204	$1,204	$219	$421	$985	$131,131
4-Person	$53,500	$1,338	$1,338	$260	$468	$1,078	$141,823
5-Person	$57,800	$1,445	$1,445	$321	$506	$1,124	$143,888
Low Income (51-80% AMI)							
1-Person	$59,950	$906	$1,057	$140	$370	$766	$127,344
2-Person	$68,500	$1,036	$1,208	$180	$423	$856	$140,881
3-Person	$77,050	$1,165	$1,359	$219	$476	$946	$154,651
4-Person	$85,600	$1,295	$1,510	$260	$529	$1,035	$167,956
5-Person	$92,450	$1,398	$1,631	$321	$571	$1,077	$172,036
Moderate Income (81-120% AMI)							
1-Person	$72,500	$1,661	$1,938	$140	$678	$1,521	$260,616
2-Person	$82,850	$1,899	$2,215	$180	$775	$1,719	$293,193
3-Person	$93,200	$2,136	$2,492	$219	$872	$1,917	$326,002
4-Person	$103,550	$2,373	$2,769	$260	$969	$2,113	$358,345
5-Person	$111,850	$2,563	$2,990	$321	$1,047	$2,242	$377,657

Note: The table provides estimates on affordable rents and purchase prices by income category based on the 2019 HCD income limits for San Diego County. General cost assumptions for utilities, taxes, and property insurance are also shown. Affordable purchase price assumes a four-percent interest rate with a 30-year fixed-rate mortgage loan and a five percent down payment.

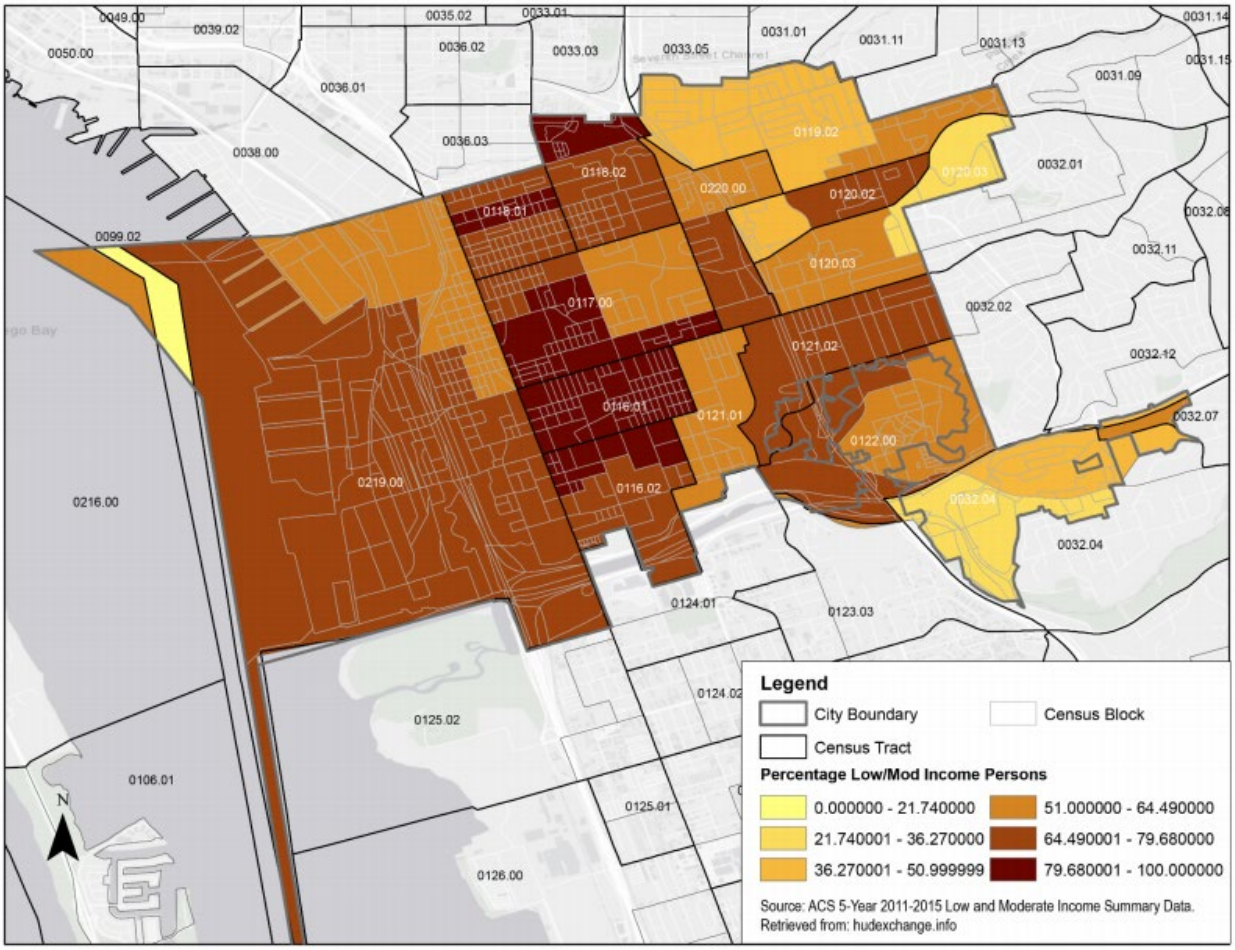
Assumptions:

1. California Department of Housing and Community Development (HCD) income limits, San Diego County, 2019.
2. Health and Safety code definitions of affordable housing costs (between 30 and 35 percent of household income depending on tenure and income level).
3. Housing Authority Of The City Of National City Housing Choice Voucher Program Monthly Utility Allowances (gas), 2018.
4. 35 percent of the monthly affordable cost for taxes and insurance.
5. Five percent down payment.
6. Four percent interest rate for a 30-year fixed-rate mortgage loan.
7. Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.

Sources:

1. HCD Income Limits, 2019.
2. Veronica Tam and Associates, 2020.

ATTACHMENT C – MAP OF LOW AND MODERATE-INCOME AREAS IN NATIONAL CITY



ATTACHMENT D – APPLICATION CHECKLIST

Application Item	Yes	No	Not Applicable	Comments
Narrative Cover Letter				
Application Form				
Development Team Resumes				
Developer Capacity Worksheets (NOFA Attachment G)				
Organizational Chart				
Developer Experience Worksheets (NOFA Attachment F)				
Project Zoning Map				
Evidence of Entitlement Approvals				
Evidence of Site Control				
Real estate appraisal or current tax documentation that substantiates the value of the property				
Tenant Relocation Plan (Temporary)				
Tenant Relocation Plan (Permanent)				
Project Vicinity Map				
Conceptual Plans				
Site Photos				
High-Quality Transit Project Map				
Community Services Project Map(s)				
Outreach Plan				
Support Letters				
Marketing Plan				
Pro Forma Analysis				
Detailed Scope of Work				
Third-Party Cost Estimate				
Other Funding Sources Supporting Documentation				
Project Narrative				
Market Demand Narrative				
Market Demand Evidence				
Financial Statements				

ATTACHMENT E – APPLICATION FORM

APPLICANT INFORMATION							
Applicant Name:							
Identify Applicant: *(Check All That Apply)* ☐ Applicant is current owner and will retain ownership. ☐ Applicant is the project developer and will be part of the final ownership entity. ☐ Applicant is the project developer and will not be part of the final ownership entity for the project. ☐ Other (Please Specify):							
Address:							
City:		**State:**		**Zip Code:**			
Contact Person:							
Phone Number:				**Email:**			

DEVELOPMENT TEAM MEMBERS	
Development Team Structure: *(Check All That Apply)* ☐ Partnership ☐ Corporation ☐ LLC ☐ Other (Please Specify):	
Lead Organization:	
Attachments: ☐ Resumes of the Development Team Members • Information should include name, address, contact person, telephone number, and e-mail address for members of the proposed project team. • Identify the developer principals and project manager, architect, civil engineer, contractor, owner (if different than developer) and social services provider (if applicable). • If known, identify the lenders, attorneys, accountants, subcontractors, and consultants. • Resumes should include detailed description of experience. ☐ NOFA Attachment G (Developer Capacity Worksheets) for the development team members ☐ Organizational Chart	

DEVELOPER EXPERIENCE WORKSHEETS
Attachments: ☐ NOFA Attachment F (Developer Experience Worksheets)

PROJECT SUMMARY					
Project Name:					
Site Information					
Site Address:					
City:		**State:**		**Zip Code:**	
Census Tract No.:		**Parcel No:**			
Description of Existing Conditions: *(1,000 character limit)*					
Description of Environmental Issues: *(1,000 character limit)*					

☐ Attach Project Zoning Map

☐ Attach Evidence of Entitlement Approvals *(Check All That Are Attached)*

- ☐ Copy of the Verification of Zoning and Land Use Entitlement Approvals that is submitted for tax credit applications
- ☐ Zoning confirmation letter from the City

If the project's zoning will not permit the scope of development proposed, the applicant must demonstrate to Housing Authority's satisfaction that all discretionary land use approvals can be granted within 180 days of the application submittal. Explain how you plan to obtain the necessary approvals within 180. *(1,000 character limit)*

PROJECT SUMMARY (continued)				
Current Site Use: *(Check All That Apply)*				
☐ Residential				
# of Existing Units (if applicable):				
☐ Commercial				
☐ Vacant				
☐ Occupied				
# of Buildings:				
Sq. Ft:				
If occupied, briefly describe uses: *(500 character limit)*				
☐ Industrial				
☐ Vacant				
☐ Occupied				
# of Buildings:				
Sq. Ft:				
If occupied, briefly describe uses: *(500 character limit)*				
☐ Parking Lot				
☐ In Use				
☐ Not In Use				
# of Parking Spaces:				
☐ Vacant Lot				
Site Size:				
Site Control:	☐ Yes		☐ No	
Form of Site Control:				
☐ Current Owner	☐ Purchase Agreement	☐ Option	☐ Other (Please Specify):	
☐ Attach evidence of site control.				
☐ Attach a real estate appraisal or current tax documentation that substantiates the value of the property.				
Tenant Relocation:	Temporary: ☐ Yes ☐ No		Permanent: ☐ Yes ☐ No	
☐ Attach Temporary and/or Permanent Tenant Relocation Plan (if applicable)				

PROJECT DESCRIPTION						
Project Type: *(Check All That Apply)*	☐ Acquisition & Rehabilitation		☐ New Construction			
Housing Type: *(Check All That Apply)*						
☐ Family ☐ Seniors ☐ Special Needs ☐ Veterans ☐ Other (Please Specify):						
Construction Type (if new construction):						
Amenities:						

Total Number of Housing Units:		**Total Number of Affordable Units:**	
Total Number of Bedrooms:		**Sq. Ft. of Gross Building Area:**	
# of Parking Spaces:		**Sq. Ft. of Net Building Area:**	

Unit Breakdown

Unit Mix:	Studio Units	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	4-Bdrm Units	Total
# of Units						
Unit Sizes						
Affordability:	Studio Units	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	4-Bdrm Units	Total
Extremely Low						
Very Low						
Low						
Total						

Attachments:

- ☐ Project Vicinity Map
- ☐ Conceptual Plans
- ☐ Site Photos
- ☐ High-Quality Transit Project Map
- ☐ Community Services Project Map(s)
- ☐ Outreach Plan
- ☐ Support Letters
- ☐ Marketing Plan

PROJECT PRO FORMA

Attachments:

- ☐ Pro Forma Analysis

FUNDING INFORMATION	
Amount of Funds Requested:	
Other Housing Authority Fund Previously Received, if any:	
Total Development Costs:	
Affordable Residential Only Development Costs:	
Attachments: ☐ Detailed Scope of Work ☐ Third-Party Cost Estimate	

OTHER EXPECTED FUNDING SOURCES			
Source Name	**Amount**	**Repayment Terms**	**Application Status / Award Dates**
Attachments: ☐ Other Funding Sources Supporting Documentation			

PROJECT TIMELINE	
Milestone	**Proposed Date (Month Year)**
City Approval	
All Funding Sources Awarded	
Environmental Review & Assessment Completed	
Commencement of Construction	
Construction Completed	

PROJECT NARRATIVE

Attachments:

☐ Project Narrative

The project narrative is a word-processed document of not more than 10 single-spaced pages responding to the questions listed in the NOFA. The document should be a font size of 10 with 1-inch margins.

MARKET DEMAND

Attachments:

☐ Market Demand Narrative

The market demand narrative is a word-processed document of not more than 3 single-spaced pages for rental projects and 4 single-spaced pages for ownership projects responding to the questions listed in the NOFA. The document should be a font size of 10 with 1-inch margins.

☐ Market Demand Evidence (Study or Survey)

ATTACHMENT F – DEVELOPER EXPERIENCE WORKSHEETS

Provide the following information, in roughly the same format, for **at least one project and no more than five projects** developed within the last ten years.

Project Name:	**Completion Date:**
City:	**Total Project Cost:**
Number of Units:	**Rental or Ownership:**
New Construction or Rehabilitation:	
Project Characteristics:	
Project Income and Affordability Restrictions:	
Role of Applicant in Project:	

Major Funding Sources

Source Name	Amount

Project References - Individual in Local Governing Body most familiar with project.

(Include Name, Organization, Title or Relationship to Project, Address, and Phone)

Reference #1:	Reference #2:	Reference #3:

Completion (Relative to schedule and budget at start of construction)	**Budget**
On time, delayed (by ___ months), etc.	Project over budget by ___%

If applicable, explain why project was delayed or over budget:

Project Key Staff	**Name**	**Current Title**	**Role in Current Project**
Project Manager			
Director of Real Estate Development			
Executive Director			
Other			
Other			

ATTACHMENT G – DEVELOPER CAPACITY WORKSHEETS

Provide the following information for project staff of the proposed project.

Project Staff	**Name**	**Role in *other* current or planned developments** (For housing development staff, list role, project name, number of units, start and completion dates)	**Years of Relevant Experience**	**Years with this Developer**
Project Manager				
Director of Real Estate Development				
Executive Director				
Asset Manager		Provide the number of properties overseen by the Asset Manager:		
Controller / CFO / Accounting Manager		Provide the number of accounting staff employed by the developer:		
Other				
Other				
Other				

Addendum No. 1

Community Development Commission-Housing Authority of the City of National City
Notice of Funding Availability (NOFA) for Affordable Housing
NOFA Issue Date: October 18, 2021
Addendum Issue Date: April 7, 2022

The Notice of Funding Availability (NOFA) for Affordable Housing is modified as outlined in this Addendum. The original NOFA remains in full effect except as modified by this Addendum, which is hereby made part of the NOFA. This Addendum is issued to inform applicants of an additional review process for their submitted application. In case of a conflict between requirements in the NOFA and this Addendum, this Addendum shall govern. All requirements set forth in the applicable portions in the NOFA Documents remain valid unless otherwise specified under this Addendum. The Housing Authority reserves the right to reject any and all submittals.

The following are additions to NOFA:

NOFA SECTION 1.0 OVERVIEW AND GENERAL INFORMATION

Application Selection

NOFA SECTION 1.1 PROCESS AND TIMELINE

- A financial feasibility and gap analysis that may need additional financial information from the submitted applications will be conducted to help determine the funding recommendations. Consistent with the original terms of the NOFA, the financial feasibility and gap analysis will include prevailing wage requirements.
- No additional applications will be considered, and staff intends to present funding recommendations to City Council for approval by June 7, 2022. Recommendation for approval from staff does not constitute an award of a loan.

1.0 Narrative Cover Letter

600 B Street, Suite 300
San Diego, CA 92101
(619) 323-1447
www.MirKaInvest.com

Exhibit 3

MirkaInvestments
Affordable Housing Development ❖ Asset Management
Financial Engineering ❖ Project Finance

To Whom it May Concern,

Metropolitan Area Advisory Committee on Anti-Poverty ("MAAC"), Managing General Partner ("MGP") and **lead** Co-Developer for MAAC National City, LP ("LP"), and MirKa Investments, LLC ("MirKa"), Administrative General Partner ("AGP") and Co-Developer of the LP, are proud to submit a response to the National City Affordable Housing NOFA for the Azuriik Project ("Project"). If awarded, the requested $10,000,000 in National City ("City") funds will fill the remaining gap of the total development costs of $197,147,112, getting the City one step closer to bringing vital and quality intergenerational affordable homes to families, seniors, and people living with developmental disabilities.

MAAC brings over 36 years of experience in developing, operating, and managing affordable housing developments. They assisted in developing over 1,000 units spanning across San Diego County, serving a diverse population of families, veterans, individuals experience or at risk of experiencing homelessness, and other special needs populations. Additionally, MAAC is the service provider for their developments offering critical wrap around services for tenants seeking economic advancement, afterschool programs, and other programs and services tailored to each project's needs.

MirKa is an emerging San Diego based developer with rapid development trajectory. MirKa leadership has over 50 years of collective housing development experience in their leadership team. This includes financial oversight and project management of permanent supportive housing, affordable housing, mixed-use, and market rate development. Since inception 4 years ago, they have brought 7 projects totaling 415 affordable units to Southern California for a combined transaction volume of approximately $200 million. MirKa has established an impressive pipeline of 16 projects in Southern California with an anticipated 2,800 units of affordable housing anticipated within the next three to five years, with an estimated transition volume of approximately $1.5 billion.

A partnership between the LP and National City was established in 2019 for the submittal of an Affordable Housing Sustainable Community (AHSC) application. The partnership would provide critical funds to the City to expand nearby pedestrian walk and bikeways, as well as funding to support the transit oriented urban infill Project. The application received a competitive score of 69.33 and is expected to be awarded. The Project area established with this partnership includes the Project site, and the City's expansion of the 8th Street/Roosevelt Multi-Use Trail and Bayshore Bikeway. The affordable housing Project site is located on the northeast side of Roosevelt Avenue, between West 2nd Street and West 3rd Street at 233 Roosevelt Avenue, in National City, San Diego County, California. The site totals 0.72 acres consisting of seven separate parcels. To the north of the site is a mixture of small commercial properties and single-family homes, to the south are commercial properties, adjacent to the east is a restaurant and its associated parking lot with Interstate 5 located to the west. The site is currently vacant with some uninhabitable vacant single family and multifamily structures which will be razed during site preparation. On and surrounding this site is natural vegetation including grasses, shrubs, and trees. There are no distinguished features or unique physical characteristics of the vacant project site. There are no known environmental concerns based on a Phase I Environmental Assessment Report completed in September of 2021.

The proposed Project will be a new construction Type 1, single 22-story, elevator- served, high rise mixed-use affordable housing building, containing 400 units and offering 11,253 square feet of indoor and outdoor community service facility space. The exterior will include window wall system, metal panel, and porcelain/stone tile. The Project amenities will include a lobby, leasing and management offices, business center, community room with kitchen, community service facility space, exercise room, and centrally located laundry facilities. Exterior amenities will include an outdoor courtyard/picnic area, playground, vegetable garden, ping pong table, foosball table, 200 bicycle parking spaces, and 209 parking spaces in a combination of on-grade and subterranean parking garages.

Units will be set aside for households earning at or below 30, 50, 60, and 80 percent AMI, seniors (62+) earning at or below 30, 35, and 40 percent AMI. 10 percent of the senior units will be set aside for individuals living

with disabilities earning at or below 30 percent AMI. 4 units will also be set aside for nonrevenue employee units. There will be 119 OBR/ 1BA at 393 SQ. FT, 203 1BR/1BA at 529 SQ. FT, 49 2BR/1BA at 921 SQ. FT, and 29 3BR/2BA at 1,192 SQ. FT, for a total of 389 bedrooms.

The Azuriik will have two service Providers. MAAC, a nationally recognized economic development organization will offer workforce and economic development services, programs, after school programming, and other vital self-sufficiency resources and referrals to the residents. Additionally, ensuring residents can age in place and continue to live in their community throughout their golden years is a priority for the Project team. MAAC will offer specialized and individualized case management to seniors and will incorporate resources, activities, and workshops that support the senior community. This includes but is not limited to wellness classes, health advocacy information, and education and workforce training for those who are currently in or wish to return to the workforce. Additionally, referrals for meal delivery services, home health and personal care aids, and transportation will also be provided.

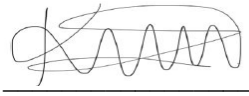
SDRC will offer extensive case management services to residents living with developmental disabilities who are clients or wish to be clients of the SDRC. Examples of services include a continuum of functional skills training that adult client may need to secure or maintain a self-sustaining level of self-sufficiency such as medical, dental, mental health, substance abuse, vocational training, personal safety and hygiene, financial management, cooking/meal preparation, transportation, and mobility training. Please see **Exhibit 2** and **Exhibit 2A** included in this application for copies of service plans.

According to the 6th Cycle RHNA Allocation, National City has a need of approximately 5,400 new units of which 1,862 accounts for extremely low to moderate income households. If awarded, the Project would account for **22% of the required RHNA allocation**. Additionally, quality and individualized services will be offered to all residents to assist with economic advancement, long term tenancy, and self-sufficiency. The Project will allow individuals living with disabilities and seniors to remain integrated into society and continue to contribute in meaningful ways which can help them gain a renewed sense of self-worth. The goal of the Project Team is to promote coordinated delivery of housing and support services through close coordination between all onsite staff, including Property Management, SDRC, and MAAC and to provide quality affordable homes that foster the success of the residents and the community.

If awarded, Arnulfo Manriquez, President and CEO of MAAC, Managing Member of MAAC National City, LLC, MGP of the LP and Kursat Misirlioglu, CEO of MirKa, AGP of the LP, have the authority to negotiate on behalf of development team. The applicant certifies that the proposal response and exhibits are true and correct at the time of submittal.

MAAC National City LP, a California limited partnership

By: MirKa Investments, LLC, it's Administrative General Partner

By: 

Kursat Misirlioglu, CEO
kursatm@mirkainvest.com
619-599-3852

Exhibit 3

Administrative Offices
1355 Third Avenue
Chula Vista, CA 91911
(619) 426-3595

North Campus
956 Vale Terrace Drive
Vista, CA 92084
(760) 471-4210

www.MAACproject.org

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Metropolitan Area Advisory Committee on Anti-Poverty ("MAAC"), Managing General Partner ("MGP") and **lead** Co-Developer for MAAC National City, LP ("LP"), and MirKa Investments, LLC ("MirKa"), Administrative General Partner ("AGP") and Co-Developer of the LP, is proud to submit a response to the National City Affordable Housing NOFA for the Azuriik Project ("Project"). If awarded, the requested $10,000,000 in National City ("City") funds will fill the remaining gap of the total development costs of $197,147,112, getting the City one step closer to bringing vital and quality intergenerational affordable homes to families, seniors, and people living with developmental disabilities.

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If awarded, Arnulfo Manriquez, President and CEO of MAAC, Managing Member of MAAC National City, LLC, MGP of the LP and Kursat Misirlioglu, CEO of MirKa, AGP of the LP, have the authority to negotiate on behalf of development team. The applicant certifies that the proposal response and exhibits are true and correct at the time of submittal.

MAAC National City LP, a California limited partnership

By: MAAC National City LLC, a California limited liability company, its managing general partner

By: Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc, a California non-profit public benefit company, its managing member

By:

Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc.
Applicant and Managing Member of MGP
Arnulfo Manriquez, President and CEO
amanriquez@maacproject.org
619-426-3595 X 1253

2.0 Application Form

ATTACHMENT E – APPLICATION FORM

APPLICANT INFORMATION					
Applicant Name:					
Identify Applicant: *(Check All That Apply)* ☐ Applicant is current owner and will retain ownership. ☐ Applicant is the project developer and will be part of the final ownership entity. ☐ Applicant is the project developer and will not be part of the final ownership entity for the project. ☐ Other (Please Specify):					
Address:					
City:		**State:**		**Zip Code:**	
Contact Person:					
Phone Number:		**Email:**			

DEVELOPMENT TEAM MEMBERS	
Development Team Structure: *(Check All That Apply)* ☐ Partnership ☐ Corporation ☐ LLC ☐ Other (Please Specify):	
Lead Organization:	

Attachments:

☐ Resumes of the Development Team Members
- Information should include name, address, contact person, telephone number, and e-mail address for members of the proposed project team.
- Identify the developer principals and project manager, architect, civil engineer, contractor, owner (if different than developer) and social services provider (if applicable).
- If known, identify the lenders, attorneys, accountants, subcontractors, and consultants.
- Resumes should include detailed description of experience.

☐ NOFA Attachment G (Developer Capacity Worksheets) for the development team members

☐ Organizational Chart

DEVELOPER EXPERIENCE WORKSHEETS

Attachments:

☐ NOFA Attachment F (Developer Experience Worksheets)

PROJECT SUMMARY					
Project Name:					
Site Information					
Site Address:					
City:		**State:**		**Zip Code:**	
Census Tract No.:		**Parcel No:**			
Description of Existing Conditions: *(1,000 character limit)*					
Description of Environmental Issues: *(1,000 character limit)*					

☐ Attach Project Zoning Map

☐ Attach Evidence of Entitlement Approvals *(Check All That Are Attached)*

- ☐ Copy of the Verification of Zoning and Land Use Entitlement Approvals that is submitted for tax credit applications
- ☐ Zoning confirmation letter from the City

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Current Site Use: *(Check All That Apply)*				
☐ Residential				
# of Existing Units (if applicable):				
☐ Commercial				
☐ Vacant				
☐ Occupied				
# of Buildings:				
Sq. Ft:				
If occupied, briefly describe uses: *(500 character limit)*				
☐ Industrial				
☐ Vacant				
☐ Occupied				
# of Buildings:				
Sq. Ft:				
If occupied, briefly describe uses: *(500 character limit)*				
☐ Parking Lot				
☐ In Use				
☐ Not In Use				
# of Parking Spaces:				
☐ Vacant Lot				
Site Size:				
Site Control:	☐ Yes		☐ No	
Form of Site Control:				
☐ Current Owner	☐ Purchase Agreement	☐ Option	☐ Other (Please Specify):	
☐ Attach evidence of site control.				
☐ Attach a real estate appraisal or current tax documentation that substantiates the value of the property.				
Tenant Relocation:	Temporary: ☐ Yes ☐ No		Permanent: ☐ Yes ☐ No	
☐ Attach Temporary and/or Permanent Tenant Relocation Plan (if applicable)				

PROJECT DESCRIPTION						
Project Type: *(Check All That Apply)*	☐ Acquisition & Rehabilitation		☐ New Construction			
Housing Type: *(Check All That Apply)*						
☐ Family ☐ Seniors ☐ Special Needs ☐ Veterans ☐ Other (Please Specify):						
Construction Type (if new construction):						
Amenities:						

Total Number of Housing Units:		**Total Number of Affordable Units:**	
Total Number of Bedrooms:		**Sq. Ft. of Gross Building Area:**	
# of Parking Spaces:		**Sq. Ft. of Net Building Area:**	

Unit Breakdown

Unit Mix:	Studio Units	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	4-Bdrm Units	Total
# of Units						
Unit Sizes						
Affordability:	Studio Units	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	4-Bdrm Units	Total
Extremely Low						
Very Low						
Low						
Total						

Attachments:

- ☐ Project Vicinity Map
- ☐ Conceptual Plans
- ☐ Site Photos
- ☐ High-Quality Transit Project Map
- ☐ Community Services Project Map(s)
- ☐ Outreach Plan
- ☐ Support Letters
- ☐ Marketing Plan

PROJECT PRO FORMA

Attachments:

- ☐ Pro Forma Analysis

FUNDING INFORMATION	
Amount of Funds Requested:	
Other Housing Authority Fund Previously Received, if any:	
Total Development Costs:	
Affordable Residential Only Development Costs:	

Attachments:

☐ Detailed Scope of Work

☐ Third-Party Cost Estimate

OTHER EXPECTED FUNDING SOURCES			
Source Name	**Amount**	**Repayment Terms**	**Application Status / Award Dates**

Attachments:

☐ Other Funding Sources Supporting Documentation

PROJECT TIMELINE	
Milestone	**Proposed Date (Month Year)**
City Approval	
All Funding Sources Awarded	
Environmental Review & Assessment Completed	
Commencement of Construction	
Construction Completed	

PROJECT NARRATIVE

Attachments:

☐ Project Narrative

The project narrative is a word-processed document of not more than 10 single-spaced pages responding to the questions listed in the NOFA. The document should be a font size of 10 with 1-inch margins.

MARKET DEMAND

Attachments:

☐ Market Demand Narrative

The market demand narrative is a word-processed document of not more than 3 single-spaced pages for rental projects and 4 single-spaced pages for ownership projects responding to the questions listed in the NOFA. The document should be a font size of 10 with 1-inch margins.

☐ Market Demand Evidence (Study or Survey)

1.0 Narrative Cover Letter

WAKELAND
HOUSING & DEVELOPMENT CORPORATION
Building foundations for opportunity

SDCBTC
SAN DIEGO COUNTY BUILDING TRADES COUNCIL FAMILY HOUSING CORPORATION

November 17, 2021

Armando Vergara
Director of Community Development
Community Development Commission
City of National City
1243 National City Blvd
National City, 91950

RE: Union Tower Cover Letter
2312 F Avenue
National City, CA 91950

Dear Mr. Vergara

It is with great pleasure that Wakeland Housing and Development Corporation (Wakeland) and the San Diego County Building Trades Council Family Housing Corporation (SDCBTC FHC) submit this response to National City's Notice of Funding Availability. Our organizations, each dedicated to serving low- and moderate-income families, have partnered to develop Union Tower, a 94-unit community of affordable apartment homes with on-site services and community amenities designed to help our residents thrive. And, we will do so while adhering to the highest job quality standards.

Please see the requested cover letter information for Union Tower:

Authority to Negotiate
Rebecca Louie has the authority to negotiate on behalf of the development team.

Certification
Wakeland certifies that the proposal responses and exhibits are true and correct at the time of submittal.

Summary Information

- **Amount requested:** $8,000,000
- **Number and size of units:** 94 units including 45 one-bedroom units, 25 two-bedroom units, and 24 three-bedroom units
- **Target population served:** Large families earning 30 – 60% AMI
- **Location:** 2312 F Avenue, National City, CA 91950
- **Total Development Cost:** $46,458,814

Site Information

- **Current use of site:** Union Tower will be built on the site of the SDCBTC FHC - owned "National City Park Apartments", National City's largest affordable apartment community. In addition to creating

much needed affordable family housing in our city, the development of Union Tower will catalyze the redevelopment of this 456-unit project, which has been providing affordable housing to National City residents for over 50 years and is in need of renovation and/or replacement. To facilitate this development, two unoccupied apartment buildings totaling 32 units will be removed.

- **Distinguished features**: Union Tower will wrap around the "Olivewood Clubhouse", a historic home constructed by Walter Kimball that is now owned by the SDBTC FHC and used for community events.
- **Any Environmental Issues**: Union Tower's Phase I ESA Report showed no evidence of recognized environmental conditions.

Physical Characteristics

- **Type of construction**: New construction, Type V and Type III over Type I
- **Number of stories** : Two buildings, four and seven stories respectively
- **Location:** 2312 F Avenue, National City, CA 91950

Amenities and Services

- **Common facilities and amenities** – Computer lab, community room with kitchen, and office space for property management. The site is conveniently located near two bus lines and the 24th street trolley stop, as well as numerous employment, shopping, and educational amenities.
- **Resident service programs:–** Residents will have access to financial literacy trainings, tutoring, computer classes, health and wellness classes, career coaching, job search assistance and other services as needed by the community.

Funding Type Limitations

- Union Tower is scheduled to apply for Low Income Housing Tax Credits from the California Tax Credit Allocation Committee and for Tax-Exempt Bonds from the California Debt Limit Allocation Committee in the February 2022 round. The partners in this development prefer the project to not have Federal funds as that would reduce the timing and administrative burden related to NEPA as the development applies to other funding sources. However, we are open to Federal funds and Wakeland has a CHDO that can participate in the project to meet the HUD CHDO requirements, if necessary.

Please feel free to contact Rebecca Louie at 619-203-4781 or rlouie@wakelandhdc.com with any questions.

Sincerely,

Rebecca Louie
VP/Chief Operating Officer
Wakeland Housing and Development Corporation

Dave Gauthier
Interim CEO
San Diego Building Trades Council Family Housing Corporation

2.0 Application Form

ATTACHMENT E – APPLICATION FORM

APPLICANT INFORMATION							
Applicant Name:							
Identify Applicant: *(Check All That Apply)* ☐ Applicant is current owner and will retain ownership. ☐ Applicant is the project developer and will be part of the final ownership entity. ☐ Applicant is the project developer and will not be part of the final ownership entity for the project. ☐ Other (Please Specify):							
Address:							
City:		**State:**		**Zip Code:**			
Contact Person:							
Phone Number:				**Email:**			

DEVELOPMENT TEAM MEMBERS	
Development Team Structure: *(Check All That Apply)* ☐ Partnership ☐ Corporation ☐ LLC ☐ Other (Please Specify):	
Lead Organization:	
Attachments: ☐ Resumes of the Development Team Members • Information should include name, address, contact person, telephone number, and e-mail address for members of the proposed project team. • Identify the developer principals and project manager, architect, civil engineer, contractor, owner (if different than developer) and social services provider (if applicable). • If known, identify the lenders, attorneys, accountants, subcontractors, and consultants. • Resumes should include detailed description of experience. ☐ NOFA Attachment G (Developer Capacity Worksheets) for the development team members ☐ Organizational Chart	

DEVELOPER EXPERIENCE WORKSHEETS
Attachments: ☐ NOFA Attachment F (Developer Experience Worksheets)

PROJECT SUMMARY					
Project Name:					
Site Information					
Site Address:					
City:		**State:**		**Zip Code:**	
Census Tract No.:		**Parcel No:**			
Description of Existing Conditions: *(1,000 character limit)*					
Description of Environmental Issues: *(1,000 character limit)*					

☐ Attach Project Zoning Map

☐ Attach Evidence of Entitlement Approvals *(Check All That Are Attached)*

- ☐ Copy of the Verification of Zoning and Land Use Entitlement Approvals that is submitted for tax credit applications
- ☐ Zoning confirmation letter from the City

If the project's zoning will not permit the scope of development proposed, the applicant must demonstrate to Housing Authority's satisfaction that all discretionary land use approvals can be granted within 180 days of the application submittal. Explain how you plan to obtain the necessary approvals within 180. *(1,000 character limit)*

PROJECT SUMMARY (continued)				
Current Site Use: *(Check All That Apply)*				
☐ Residential				
# of Existing Units (if applicable):				
☐ Commercial				
☐ Vacant				
☐ Occupied				
# of Buildings:				
Sq. Ft:				
If occupied, briefly describe uses: *(500 character limit)*				
☐ Industrial				
☐ Vacant				
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