

**Notice of Funding Availability  
Addendum #1  
In response to NOFA Pre-Application Conference (9.14.18 & 9.26.18)**

**NEW INFORMATION**

**4.11 Affordable Housing Dispersion (page 6)**

In order to determine if your project is located in a census tract where the poverty rate is 20% or greater, click the following link to view the [San Jose Areas of Concentrated Poverty](#). San José areas of concentrated poverty are indicated by peach-colored polygons.

- If the project is located in a census tract with concentrated poverty, address the 3 items in section 4.11 on page 6 of the NOFA; this is required for projects that are confirmed in a census tract with concentrated poverty.
- If the project is not located in a census tract with concentrated poverty, then you may skip section 11 of the NOFA application form. Project narrative may still address these items, but it is not required.

Additionally, the following underlined text has been updated and added to the NOFA:

**4.11 Affordable Housing Dispersion**

The Housing Department encourages affordable housing to be constructed throughout San José to achieve socio-economic integration at the neighborhood level. The Department discourages concentration of extremely low-income units in census tracts where the poverty rate in the census tract is 20% or greater.

If the proposed development is located in a census tract where the poverty rate is 20% or greater, you must demonstrate two of the four following:

1. Neighborhoods that show signs of revitalization, through indicators such as declining census tract poverty rates, low or declining violent crime rates or evidence of increased educational opportunities (educational opportunity includes adult education, vocational school, state or community college)
2. New market-rate residences have been/are being developed or entitled in the same census tract where the proposed development will be located and it is likely that those units will positively impact the poverty rate in the area
3. Neighborhoods in which there is high private and public investment in retail or commercial that is already occurring or will occur within five years in the area, as economic advancement opportunities include retail and other business offering entry-level job opportunities
4. Neighborhoods in which there is investment in high-quality public transit that is already occurring or will occur within five years, which will provide access to jobs, services, and amenities

#### 4.12 Option to Purchase / Ground Lease (page 6)

All projects must submit a land value in their proforma. If land is publicly-owned and the developer is leasing the land, use an appraised land value.

#### 6.1 Term Sheet (page 9)

This call is only for \$100 million. As more funding becomes available, the City will release a subsequent NOFA.

#### 8.1 Development Budget Proforma and Project Information (page 11)

The Proforma Excel Sheet has an updated tab added where the estimated project timeline may be entered. Download the revised Excel sheet from Bidsync. These dates are estimates but should reflect realistic milestone goal dates depending on the complexity of the development project.

#### 8.5 Food Services Plan (page 12)

As seen on page 12, section 8.5 of the NOFA, all projects with residents earning less than 50% AMI must submit a Food Services Plan.

- See attached handouts describing site needs to support onsite food assistance programming.
- Rachel Poplack from the Housing Trust will serve as a technical assistance provider. Contact information: [rachelp@healthtrust.org](mailto:rachelp@healthtrust.org), (408) 513-8706

## QUESTIONS & ANSWERS

#### 3.1 Amount Available (page 3)

**Question:** Does the NOFA fund predevelopment/land acquisition?

**Answer:** No, the NOFA is not available for predevelopment/land acquisition. This NOFA is focused on projects that are seeking gap financing for developing units and that are project ready. Thus \$100 million is available for multifamily affordable housing and only new construction projects will be awarded funding in this NOFA.

#### 3.4 Readiness (page 4)

**Question:** What occurs when a project applies for 9% tax credits and does not receive its tax credit allocation within the City's 6-month readiness category?

**Answer:** Generally speaking, the project will be moved to the appropriate readiness category based on the next proposed tax credit application date.

### 5.3 Supportive Housing Provision (PSH and RRH) (page 7)

**Question:** Would you consider developmentally disabled for permanent supportive housing under your definition only addresses homelessness for PSH? These people may not be technically homeless now because they are living with parents, but are at risk of becoming homeless.

**Answer:** The Housing Department, consistent with the County of Santa Clara, defines homelessness by the following parameters: People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided for up to 90 days if they were in shelter or a place not meant for human habitation before entering the institution.

- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled up situation, within 14 days and lack resources or support networks to remain in housing.
- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This applies to families with children or unaccompanied youth (up to age 24) who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
- People who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening situations related to violence; have no other residence; and lack the resources or support networks to obtain other permanent housing.

People who are currently living with their parents would not meet this definition.

### 5.5 Leveraging (page 8)

**Question:** Will funds generated from private dollars i.e., (Tech), be included in the leverage scoring criteria?

**Answer:** Subject to the City's review and approval, new private dollars generated for the development of affordable housing may be deemed as additional sources and be included in the leverage scoring criteria. Private funds included in the standard 4% or 9% tax credit executions will not be considered in the leverage scoring criteria calculation. .

### 8.10 Environmental Review (CEQA/NEPA) (page 13)

**Question:** Are all projects expected to complete NEPA clearance?

**Answer:** To be eligible for all the funding sources, developers should consider completing a NEPA clearance. However, HOME federal funding is considerably smaller in comparison to all other funding sources. Local Community Housing Development Organizations (CHDOs) should complete a NEPA clearance.

### 13.5.3 24/7 Staffing for PSH (page 25)

**Question:** We have a project (in another city) where we found it hard to keep staff at a location where there were very few residents coming and going during the day. Would cameras be an acceptable alternative to an on-site Property Management Plan?

**Answer:** According section 13.5.3 (page 25 of 25) of the Underwriting Guidelines, all projects must include, at a minimum, on-site management staff during normal business hours. The City must approve the property's management agreement and related documents. Developers must also submit a security assessment and a plan for review and approve by the City (For example: Security Cameras). However, subject to City approval, the developer may provide an alternative solution to satisfying the 24/7 staffing requirement for consideration.

### Income Averaging

**Question:** Would you be supportive of a project with 80% and 20% AMIs – utilizing the new TCAC income averaging rules. Would you restrict units at 20%?

**Answer:** Yes, we would be supportive. We would have to see the underwriting to determine eligibility.

### Building in Urban Villages

**Question:** If my project is in a Horizon 2 - Urban Village that is yet to be approved (Implementation Plan), what AMI level do the affordable units need to be?

**Answer:** Currently under the Envision 2040 San José General Plan, the definition of a residential project that provides 100% affordable housing may move forward if the affordability level is Low (60% AMI). Housing and Planning staff are working on a simple General Plan text amendment to modify the affordability level to 80% AMI, however, this is subject to City Council Approval.

### Inclusionary Housing Ordinance and Excess Units Produced

**Question:** If my project is producing more units than the Inclusionary Housing Ordinance requires, can I still apply to the NOFA for those excess units?

**Answer:** Yes the excess affordable units may apply to the NOFA. The application should include a description of the required and excess units and attach a copy of the Affordable Housing Compliance Plan that was submitted to the Housing Department prior to their entitlement process. The application should include a description of which units are being provided to satisfy the Inclusionary Housing Ordinance and which units are being provided in excess and thus are requesting gap financing from the NOFA. If these excess units receive funding from the City then these units would not be eligible for the [Surplus Inclusionary Credits Compliance Option](#) under the [Inclusionary Housing Ordinance](#).

### Inclusionary Housing Ordinance and Units with Deeper Levels of Affordability

**Question:** If my project is producing affordable units that are at deeper levels of affordability than required by the Inclusionary Housing Ordinance, can I still apply to the NOFA for those units?

**Answer:** Yes, if any of the affordable units that are provided to households at lower AMI levels than required by the [Inclusionary Housing Ordinance](#), then those units provided at deeper levels of affordability may apply to the NOFA for gap financing. The application should include a description of the required units by AMI level, and include the units that provide at a deeper level of affordability. These applications must attach their Affordable Housing Compliance Plan that was submitted to the Housing Department prior to their entitlement process. The application should include a description of which units are being provided to satisfy the Inclusionary Housing Ordinance and which units are being provided at deeper levels of affordability and thus are requesting gap financing from the NOFA.

### **Affordable Ownership Opportunities**

**Question:** Does the NOFA provide funding dollars for new construction of affordable ownership opportunities?

**Answer:** No, the current NOFA is dedicated for the financing and development of multifamily rental.

### **Attachments**

- Food Service Plans

## Housing Site Needs to Support Onsite Food Assistance Programming

<b>Onsite Grocery Distribution</b>		
<b>Number of Units</b>	<b>Desired Amenities</b>	<b>Minimum Required Amenities</b>
<b>100 units or less</b>	<p>A 14 ft. X 16 ft. room.</p> <p>An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property.</p> <p>Separate storage closet for equipment: i.e., hand trucks, cleaning materials, fold up tables.</p> <p>Heavy duty threshold: Support the weight of food entering the building.</p> <p>Heavy duty chrome wire shelving to support a food distribution center.</p> <p>1 door commercial refrigerator with time and temperature regulator; 1 door commercial freezer with time and temperature regulator.</p> <p>2-3 committed volunteers: Can be resident's that utilizes the pantry.</p>	<p>A 12 ft. X 14 ft. multi-purpose room</p> <p>An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property.</p> <p>Heavy duty threshold: Support the weight of food entering the building.</p> <p>Separate storage closet for equipment: i.e., hand trucks, cleaning materials, fold up tables.</p> <p>Durable shelves to support a food distribution center.</p> <p>1 door domestic refrigerator, 1 door domestic freezer.</p> <p>1-2 committed volunteers: Can be resident's that utilizes the pantry</p>
<b>100-300 Units</b>	<p>A 24 ft. X 24 ft. multi-purpose room</p> <p>An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property.</p> <p>Heavy Duty Flooring: Support the weight of heavy equipment, i.e. electric pallet jack.</p> <p>Wide double doors: Supports pallets of food entering the building.</p> <p>Heavy duty threshold: Support the weight of food entering the building.</p> <p>Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables.</p> <p>Heavy duty chrome wire shelving: Support displaying the food items for resident's.</p> <p>Resident's privacy office area: Will afford the resident's privacy when providing their household information.</p> <p>Electrical Capacity that supports (3) 4 shelves glass commercial store display refrigerators, equipped with time and temperature regulator, and (3)</p>	<p>A 20 ft. X 20 ft. multi-purpose room.</p> <p>An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property.</p> <p>Wide double doors: Supports pallets of food entering the building.</p> <p>Heavy duty flooring: Support the weight of heavy equipment, i.e. electric pallet jack.</p> <p>Heavy duty threshold: Support the weight of food entering the building.</p> <p>Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables, etc.</p> <p>Heavy duty shelving: Supports displaying the food items for resident's.</p> <p>Electrical Capacity that supports (2-3) 4 shelves glass commercial store display refrigerators equipped with time and temperature regulator, and (2-3) 4 shelves</p>

	<p>4 shelves glass commercial store display freezers, equipped with time and temperature regulator.</p> <p>3-4 committed staff/volunteers: Can be resident's that utilizes the pantry.</p>	<p>glass commercial store display freezers, equipped with time and temperature regulator.</p> <p>2-4 committed staff/volunteers: Can be resident's that utilizes the pantry.</p>
<b>300 or more</b>	<p>A 30 ft. X 30 ft. multi-purpose room.</p> <p>An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property.</p> <p>Wide double doors: Support pallets of food entering the building.</p> <p>Heavy duty flooring: Support the weight of food entering the building.</p> <p>Heavy duty threshold: Support the weight of food entering the building.</p> <p>Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables, etc.</p> <p>Heavy duty chrome wire shelving: Support displaying the food items to the resident's.</p> <p>Electrical Capacity that supports (4-5) 4 shelves glass commercial store display refrigerators equipped with time and temperature regulator, and (4-5) 4 shelves glass commercial store display freezers equipped with time and temperature regulator.</p> <p>6-10 committed staff/volunteers: Can be resident's that utilizes the pantry.</p>	<p>A 24 ft. X 24 ft. multi-purpose room.</p> <p>Wide double doors: supports pallets of food entering the building.</p> <p>Heavy duty threshold: support the weight of food entering the building.</p> <p>Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables, etc.</p> <p>Heavy duty shelving: Supports displaying the food items for resident's.</p> <p>Electrical Capacity that supports, (3-4) 4 shelves glass commercial store display refrigerators, equipped with time and temperature regulator and (3-4) 4 shelves glass commercial store display freezers, equipped with time and temperature regulator.</p> <p>4-6 committed staff/volunteers: Can be resident's that utilizes the pantry</p>

**Onsite Congregate Meals**

Food assistance providers, such as Loaves and Fishes, can provide congregate meals for residents. In order to allow for the most flexibility in the timing of the delivery and serving of meals, it is highly recommended that sites have adequate warm and cold storage to safely store the food at the appropriate temperature. For every 30 residents participating in the meal service, Loaves and Fishes provides 2 hot trays (main and side dish), and 1 cold tray (salad or fruit). The cold trays can be stored in a standard refrigerator. The hot trays are best stored in a proofing oven. The size needed will depend on the volume of residents to be served, and may require a special electrical connection. Examples of the types of warmers that can be purchased can be found at this [link](#). In addition, the site needs to have a community room with adequate tables and chairs for the number of residents participating in the meals program.

1. 50 units or less: Desired

- A 14 ft. X 16 ft. room: Support onsite pantry
- An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property
- Separate storage closet for equipment: i.e., hand trucks, cleaning materials, fold up tables
- Heavy duty threshold: Support the weight of food entering the building
- Heavy duty chrome wire shelving to support a food distribution center
- 1 door commercial refrigerator with time and temperature regulator
- 1 door commercial freezer with time and temperature regulator
- 2-3 committed volunteers: Can be resident's that utilizes the pantry

50 units or less: Required

- A 12 ft. X 14 ft. multi-purpose room: Support onsite pantry
- An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property
- Heavy duty threshold: Support the weight of food entering the building
- Separate storage closet for equipment: i.e., hand trucks, cleaning materials, fold up tables
- Durable shelves to support a food distribution center
- 1 door domestic refrigerator
- 1 door domestic freezer
- 1-2 committed volunteers: Can be resident's that utilizes the pantry

2. 100 – 300 units or less: Desired

- A 24 ft. X 24 ft. multi-purpose room: Support onsite pantry
- An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property
- Heavy Duty Flooring: Support the weight of heavy equipment, i.e. electric pallet jack
- Wide double doors: Supports pallets of food entering the building
- Heavy duty threshold: Support the weight of food entering the building
- Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables
- Heavy duty chrome wire shelving: Support displaying the food items for resident's
- Resident's privacy office area: Will afford the resident's privacy when providing their household information
- Electrical Capacity that supports:
  - a. (3) 4 shelves glass commercial store display refrigerators: Equipped with time and temperature regulator
  - b. (3) 4 shelves glass commercial store display freezers: Equipped with time and temperature regulator
- 3-4 committed staff/volunteers: Can be resident's that utilizes the pantry

100 – 300 units or less: Required

- A 20 ft. X 20 ft. multi-purpose room: Support onsite pantry
- An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property
- Wide double doors: Supports pallets of food entering the building
- Heavy duty flooring: Support the weight of heavy equipment, i.e. electric pallet jack
- Heavy duty threshold: Support the weight of food entering the building
- Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables, etc.
- Heavy duty shelving: Supports displaying the food items for resident's
- Electrical Capacity that supports:
  - a. (2-3) 4 shelves glass commercial store display refrigerators: Equipped with time and temperature regulator
  - b. (2-3) 4 shelves glass commercial store display freezers: Equipped with time and temperature regulator
- 2-4 committed staff/volunteers: Can be resident's that utilizes the pantry

3. 300 or more: Desired

- A 30 ft. X 30 ft. multi-purpose room: supports onsite pantry
- An entrance way that afford enough turn ratio for a semi-truck to get in and out of the property
- Wide double doors: Support pallets of food entering the building
- Heavy duty flooring: Support the weight of food entering the building
- Heavy duty threshold: Support the weight of food entering the building
- Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables, etc.
- Heavy duty chrome wire shelving: Support displaying the food items to the resident's
- Electrical Capacity that supports:
  - a. (4-5) 4 shelves glass commercial store display refrigerators: Equipped with time and temperature regulator
  - b. (4-5) 4 shelves glass commercial store display freezers: Equipped with time and temperature regulator
- 6-10 committed staff/volunteers: Can be resident's that utilizes the pantry

300 units or more: Required

- A 24 ft. X 24 ft. multi-purpose room: supports onsite pantry
- Wide double doors: supports pallets of food entering the building
- Heavy duty threshold: support the weight of food entering the building
- Separate storage area for equipment: i.e., hand trucks, cleaning materials, fold up tables, etc.
- Heavy duty shelving: Supports displaying the food items for resident's
- Electrical Capacity that supports:
  - a. (3-4) 4 shelves glass commercial store display refrigerators: Equipped with time and temperature regulator
  - b. (3-4) 4 shelves glass commercial store display freezers: Equipped with time and temperature regulator

- 4-6 committed staff/volunteers: Can be resident's that utilizes the pantry

### **Congregate Meal Service Needs**

Loaves and Fishes can provide congregate meals for residents in affordable and supportive housing sites. In order to allow for the most flexibility in the timing of the delivery and serving of meals, it is highly recommended that sites have adequate warm and cold storage to safely store the food at the appropriate temperature. For every 30 residents participating in the meal service, Loaves and Fishes provides 2 hot trays (main and side dish), and 1 cold tray (salad or fruit). The cold trays can be stored in a standard refrigerator. The hot trays are best stored in a proofing oven. The size needed will depend on the volume of residents to be served, and may require a special electrical connection. Examples of the types of warmers that can be purchased can be found at this [link](#).

In addition, the site needs to have a community room with adequate tables and chairs for the number of residents participating in the meals program.

### **Community Garden Needs**

Each raised bed is approximately 8ft wide X 12ft. To installing 25 raised beds to serve 25 families 200ft x 300ft of level land will be needed. The site needs to receive a minimum of 6 hours of direct sunlight, and have easy access to water to allow for installation of a drip water system, and hose connection. In addition, there should be a community room accessible for hosting monthly classes to teach residents how to garden.

# Housed and Fed: How to Meet City of San Jose's Expectations for Food Access in Permanent Supportive Housing

## What do the City Underwriting Guidelines state?

**Development Requirements:** "The project design for PSH Units shall address the needs of the PSH population this will include space for the provision of supportive services and space for access/distribution of healthy food."

**PSH Property Management Requirements, Management Plan:** "The management entity of properties with over 30% PSH units must include in their Management Plans, a description of...7) a plan for the access/distribution of healthy food for residents."

## Developers can provide healthy food for residents through the following:

- On site food pantry, to meet basic food security needs of all residents.
- On site congregate meals, to provide convenient meal access, and build a sense of community.
- Meals on Wheels, to provide healthy, home delivered meals to residents with limited mobility.
- Medically-tailored meals, for residents with complex, diet related health conditions.



# When planning for onsite food assistance it is important to keep the following in mind:

- Not all residents will require the same level of food assistance, but almost all will require some level of assistance.
- Designing the appropriate physical amenities to support onsite food distribution will make it easier for property management and service providers to provide food support. The physical design, property management, and service plan need to be considered together during the design phase. A detailed outline of physical amenities required for different food assistance models is available.
- Staffing costs and any associated food costs need to be understood and planned for early.
- There are numerous food assistance providers interested in partnering with permanent supportive housing sites to meet residents' food assistance needs, including Second Harvest Food Bank, Loaves and Fishes, and The Health Trust.

**For assistance designing a food assistance model, contact The Health Trust, Rachel Poplack, [rachelp@healthtrust.org](mailto:rachelp@healthtrust.org) or 408-513-8706.**

