



HOUSING DEPARTMENT

NEW 2025 MULTIFAMILY GAP FINANCING PROGRAM REGULATIONS AND REQUEST FOR PROPOSAL (RFP)

May 1, 2025

Housing Department Community Meeting

Banu San

Deputy Director

Housing Department

Updated Gap Financing Program Regulations

To respond to evolving funding landscapes and the need for affordable housing, we are updating the Gap Financing Program Regulations to:

- **Streamline with other lender regulations:** Simplify compliance for developers;
- **Reduce Redundancies:** Streamline processes to accelerate project timeline; and
- **Prioritize** projects that are ready to move to construction.

These updates better support the City's housing production and affordability goals.

Gap Financing Program Regulations Highlights

All developers seeking City funding and/or bond issuance for affordable housing must comply with the Gap Financing Program Regulations. The regulations are composed of three separate documents¹:

Funding Regulations	Apply to <u>all</u> affordable housing developments and contains funding-related policies and requirements related to affordable housing.
New Construction Regulations	Apply to all new affordable housing developments, to be supplemented by the Funding Regulations, and contains underwriting requirements for developers to utilize when preparing financial projections.
Preservation Regulations	Apply to all existing affordable housing developments, to be supplemented by the Funding Regulations, and contains requirements for developers requesting to refinance or rehabilitate their properties.

¹PDF's of each document can be found on the Housing Department's website under the 'Gap Financing Program Regulations' page.

Gap Financing for Affordable Housing

The City released the rolling RFP on April 14, 2025

- **Key Priorities:**

- **Housing Stock:** Expand affordable housing for extremely low- to moderate-income households;
- **Shovel-Ready Projects:** Prioritize developments with secured entitlements and financing; and
- **Cost Efficiency:** Prioritize low-cost, high-impact projects that maximize use of City funds through leveraging other funding sources.

- **Waitlist Management:**

- City will post the waitlist ranking on our website.
- NOFA will fund the top scoring projects.

RFP Timeline and Important Dates

- **RFP Structure:**
 - Active for 12 months (April 14, 2025 – April 14, 2026)
 - A NOFA will be released at two periods in May and the Fall during the 12 months
- **Important Dates:**
 - **Application:** RFP will accept rolling submittals during the period

Questions?

- All questions regarding RFP should be sent via email Monica Velarde at Monica.Velarde@sanjoseca.gov.
 - Please submit questions regarding the RFP via email before **March 3, 2026**.
- All questions regarding Gap Financing Program Regulations should be sent via email at housingfinance@sanjoseca.gov.



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