



**City of Ukiah
Community Development Department**

Housing Services Division
300 Seminary Avenue
Ukiah CA 95482
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June 10, 2024

NOTICE OF FUNDING AVAILABILITY (NOFA) AND APPLICATION

**CITY OF UKIAH
June 2024 Housing Trust Fund NOFA**

Notice of Funding Availability (NOFA)
Housing Trust Fund Program
June 10, 2024

The City of Ukiah Housing Trust Fund Program is pleased to announce the availability of approximately \$1,000,000 in State funding awarded to the City of Ukiah to assist in the acquisition of infill parcel(s) for the predevelopment, development, acquisition, or preservation of affordable housing in the City of Ukiah.

STATEMENT OF INTENT

The Ukiah Housing Trust Fund (UHTF) wishes to make use of the available State funding to facilitate the acquisition of infill parcels in the city limits of Ukiah as part of our goal of expanding the City's housing stock, especially for low- and moderate-income residents, seniors, and those with special needs. The UHTF seeks to establish an exclusive relationship with a developer to purchase parcels for development of infill housing units in "High" and "Highest Resource Areas" as identified by the 2024 Tax Credit Allocation Committee (TCAC) Housing Resource Area Map, which can be found at:

<https://www.treasurer.ca.gov/ctcac/opportunity.asp>

Funding within the City's UHTF seeks to implement innovative ideas such as aggregated scattered site infill projects or similar non-traditional approaches to affordable housing. We encourage applicants to include innovative approaches as part of their application.

BACKGROUND

In April 2023 the City of Ukiah was awarded a Prohousing Designation by the State Department of Housing and Community Development (HCD) in recognition of the City's recent success adopting and implementing policies that accelerate housing production, promoting favorable zoning and land use policies, reducing construction and development costs, and providing financial subsidies for housing development in the City.

In October 2023 the City was awarded \$455,000 in financial assistance from the State Prohousing Incentive Pilot Program (PIP) to acquire infill parcels to facilitate the development of affordable housing in Ukiah. In deploying PIP funds through the UHTF within this 2024 NOFA, the City will match PIP funds with up to \$617,000 of the City's 2019-2022 Permanent Local Housing Allocation (PLHA) and possibly additional funds from the PIP and PLHA programs or other sources.

Affordable housing projects receiving funding from the Ukiah Housing Trust Fund must be affordable to those earning at or less than 60%, 80%, or 120% of the area median family income (AMI). Bonus points will be awarded for developers that commit to allocating a portion of the units to residents of extremely low-income and no income (0-30% AMI). Affordability must be provided by the imposition of rent or resale restrictions recorded with a 55-year affordability covenant. Certain funding sources may have additional restrictions.

Developers responding to this NOFA will be ranked based on scoring criteria provided in this NOFA. Working with a housing loan committee, staff will request the City Council approve the ranked list of projects and a total amount of funds to be awarded.

City loans are provided for the purchase of infill parcels that will lead to the construction of affordable rental and homeownership projects, redevelopment of underutilized land and buildings, and/or the construction of accessory dwelling units, principally for the benefit of lower income households. City loans are intended to partially fill the gap between development costs and financing available from private and other public sources. Applicants are expected to pursue funding from all available sources. Please note that upon approval from the City Council of an award of funding, the developer will be expected to deploy UHTF funding for the purchasing of parcels and initiation of the construction of the affordable housing project within two years of the formal date of award.

Interested applicants should complete the attached application. Completed applications are **due Monday, July 8 at 11:59 P.M.** and can be emailed, mailed, or hand-delivered to the following address:

**Housing Trust Fund Program
Community Development Department
City of Ukiah
300 Seminary Avenue
Ukiah CA 95482

housing@cityofukiah.com**

Questions regarding this NOFA should be addressed to Jim Robbins, Housing and Grants Manager, at housing@cityofukiah.com or 707-463-6708.

Please visit the City's Housing Services Division web site at <https://cityofukiah.com/housing-services/> for more information and updates on the Housing Trust Fund Program.

GENERAL LOAN TERMS

If loan terms other than those listed below are sought for a project, this must be explicitly stated in the cover letter and a separate explanation provided in the application. Such requests are granted at the sole discretion of the City.

Loan Terms

Loans for rental and homeownership projects are typically provided at a simple interest rate of zero to three percent (0-3%) per annum, for a term of fifty-five (55) years. Payments of interest and principal will be due from excess cash flow from operations after payment of operating costs, senior debt, reserves, and deferred developer fees. To the extent payments cannot be made, they may be deferred for the term of the loan. All loans are due on sale, refinancing, transfer (except to a related entity, such as a limited partnership, subject to City approval) or at the end of the fifty-five (55) year term.

City loans will be evidenced by a promissory note secured by a deed of trust on the project. A loan agreement will specify all development obligations. Post-occupancy use restrictions will be enforced through a regulatory agreement recorded against the project, including both the land and the improvements. The minimum term for affordability restrictions is 55 years.

Timeline of City Commitments

Funding for this NOFA is based on State commitments to the City's housing program, primarily through the Permanent Local Housing Application Program (PLHA) and the Prohousing Incentive Pilot Program (PIP). Loan agreements must be executed with selected developers within the timeframes required by the PLHA and PIP programs.

City financing commitments are made for up to 24 months from the date of City Council approval. All other sources of funds must be committed within that time frame. A one-year extension can be requested with sufficient justification, if such an extension is allowable under all of the project funding sources. If the extension period elapses without the commitment of full project financing, the City funding commitment will be revoked and the project must re-compete for funds through the NOFA. Further extensions will only be granted in extraordinary circumstances. The inability to meet a project schedule may also result in negative points for future NOFA applications.

Scoring – Bonus Points

Given the limited supply of affordable housing, the City will be prioritizing projects in this NOFA that produce additional housing units. Additional bonus points can be attained by the applicant for the following activities:

- Use energy efficiency, net-zero, or other “sustainable/green” features above Title 24
- Utilize other sources of funding in addition to housing trust funds
- Convert underutilized land to affordable housing
- Incorporate healthy community components into design – i.e. common areas, open space, community rooms, community gardens, etc.
- Connect the project with existing or proposed pedestrian/bicycle paths and trails
- Project application that includes novel, new, or innovative concepts
- Location of parcel(s) for new Affordable Housing in a TCAC high or highest resource area in Ukiah

SCORING CRITERIA

Complete applications will be scored in the following categories. Maximum points in each category are noted. Some categories are not applicable for certain types of projects.

	Rental	Ownership	Self-Score
1. Financial Characteristics			
A. Leveraging	25	25	
B. Funding Commitments	30	30	
2. Target Population and Project Attributes*			
A. Income targeting	10	10	
B. Unit size	5	5	
C. Units for people with special needs	10	10	
D. Units for homeless	10	10	
3. Developer Experience and Capacity			
A. Overall affordable housing experience	20	20	
B. Experience developing housing in Ukiah	5	5	
C. Developer team experience	15	15	
4. Readiness			
A. Site Control	5	5	
B. Development entitlements secured	5	5	
C. Pre-development meeting held with City staff	10	10	
5. Bonus Points			
A. Construction of new affordable housing, 2/3 of which are affordable to households with incomes at or less than 30% AMI	15	15	
B. Use of energy efficiency, net-zero, or other sustainable/green features above Title 24	10	10	
C. Use of other funding sources in addition to the Housing Trust Fund	10	10	
D. Conversion of vacant or underutilized land to affordable housing	10	10	
E. Healthy community components	10	10	
F. Connectivity with existing or proposed pedestrian/ bicycle paths and trails	5	5	
G. Project application that includes innovative ideas	20	20	
H. Location of parcel(s) for new Affordable Housing in a TCAC high or highest resource area in the Ukiah city limits	30	30	
TOTAL POSSIBLE POINTS	260	260	

*For Scoring Criterion #2- Target Populations and Project Attributes, applicants are encouraged to review the City of Ukiah's General Plan Housing Element, located on the City's website at: <https://cityofukiah.com/housing-element-update-2019-2027/>

APPLICATION FOR FUNDING
2024 Ukiah Housing Trust Fund

Project Name: _____

Project Location (if known): _____

Amount of Loan Requested: _____

Please check the programs and incentives your organization is applying for:

_____ Low and Moderate Income Housing Asset Fund (LMIHAF)

_____ Prohousing Incentive Pilot (PIP) Program

_____ Permanent Local Housing Allocation (PLHA) Program

APPLICANT INFORMATION

Organization: _____

Address: _____

Contact Person: _____

Email: _____

Phone: _____

PROPOSED PROJECT

Project Name or Concept: _____

Proposed Location Information (if known): _____

Proposed APN(s) (if known): _____

Target Population:

Elderly _____ Disabled _____ Family _____ Other (specify) _____

Type of Project:

New Construction _____ Acquisition/Conversion _____

Proposed estimated date of project completion:

Number of Stories: _____ Elevator? _____

Number of units by bedroom size and square footage:

_____ SRO at _____ SF each	_____ 0 BR at _____ SF each
_____ 1 BR at _____ SF each	_____ 2 BR at _____ SF each
_____ 3 BR at _____ SF each	_____ 4 BR at _____ SF each

Total number of units: _____

Other features or amenities:

Please feel free to attached additional pages to describe the proposed project.

BONUS POINTS

Please check all of the following the project will incorporate:

- _____ Construction of new affordable housing units, 2/3 of which are affordable to households with incomes at or less than 30% Area Median Income
- _____ Use of energy efficiency, net-zero, or other “sustainable/green” features
- _____ Utilization of funding sources in addition to the City of Ukiah HTF
- _____ Conversion of underutilized land and/or buildings to affordable housing
- _____ Healthy community components – common areas, open spaces, etc.
- _____ Project connectivity with existing pedestrian/bicycle paths and trails
- _____ Project application proposes innovative ideas
- _____ Location of parcel(s) in a TCAC high or highest resource area in the City of Ukiah

ADDITIONAL REQUESTED DOCUMENTATION

Please attached the following documents to the application, as applicable:

- Narrative Description of the Proposed Development
- Developer Experience and Capacity
- Articles of Incorporation, Bylaws, Tax Exempt Determination from IRS, List of Board Members, Corporate Borrowing Resolution
- Financial Statements
- Community Acceptance Plan
- Any relevant planning and zoning information
- Appraisal
- Rent Role
- Budget (sources and uses)
- Developer Pro Forma, showing developer fees

BORROWER'S CERTIFICATION

Applicant hereby certifies that it has read and understands the regulations governing the Ukiah Housing Trust Fund Loan Program, that it agrees to abide by such regulations, and that violations of these regulations shall constitute grounds for cancellation of any commitment or loan. Applicant hereby certifies that the information submitted in the Loan Application and any supporting materials is true, accurate, and complete to the best of its knowledge. Applicant acknowledges and understands that if facts or information herein are found to be misrepresented, it shall constitute grounds for the default of the Ukiah Housing Trust Fund Loan for which application is being made.

Signature

Date

Signature

Date