



2024

AFFORDABLE HOUSING
NOTICE OF FUNDING AVAILABILITY

DUE DATE: 5:00 P.M. – MARCH 15, 2024

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Section 1 INTRODUCTION

This 2024 Affordable Housing Notice of Funding Availability (NOFA) announces the availability of up to five million, seven hundred twenty-four thousand, seven-hundred sixty-eight dollars and zero cents (\$5,724,768.00) in Gateway Cities Affordable Housing Trust (GCAHT) (the “Trust”) funds to promote the new construction or acquisition/rehabilitation of Affordable Housing for lower income households in the Gateway Cities Region, and those experiencing homelessness by providing below market rate financing. Interested and qualified developers who can successfully demonstrate their ability to acquire, build or substantially rehabilitate, and operate Affordable Housing are encouraged to submit proposals.

The NOFA application deadline shall be approximately 45 days after the release of this NOFA. All applications submitted within the NOFA application period shall be reviewed by Trust staff to ensure compliance with all threshold requirements and shall be competitively scored as detailed in Section 4, below.

The sources of capital funds made available for this NOFA are the following:

1. Gateway Cities Council of Governments Homeless Initiative	\$ 1,763,548.00
2. State of California - Local Housing Trust Fund Program.....	\$ 2,610,000.00
3. Permanent Local Housing Allocation Program	\$ 1,351,220.00
TOTAL	\$ 5,724,768.00

The Trust reserves the right to increase or decrease the amount in this NOFA at the direction of the Gateway Cities Affordable Housing Trust Board, subject to funds availability.

Section 2 PROGRAM DESCRIPTION

2.01 FUNDS AVAILABLE

Up to five million, seven hundred twenty-four thousand, seven-hundred sixty-eight dollars and zero cents (\$5,724,768.00) is made available from Trust. Of that, two million, six-hundred ten thousand dollars (\$2,610,000.00) is from the Local Housing Trust Fund (LHTF) Program, which requires a local match to receive. The use of these funds requires a local match within each funded project. The source of funds that the Trust has available for the local match is up to one million, seven-hundred sixty-three thousand, five-hundred forty-eight dollars (\$1,763,548.00) in Homeless Initiative funding through the Gateway Cities Council of Governments and one million, three-hundred fifty-one thousand, two-hundred twenty dollars (\$1,351,220.00) is from the Permanent Local Housing Allocation (PLHA) Program. Projects applying for LHTF funding through this NOFA will be required to accept funding from one of the two sources of matching funds, at the discretion of the Trust.

The final amount of HI funds available for award may be decreased based on availability. The available LHTF Program funds are contingent upon the Trust receiving an award from the California Department of Housing and Community Development, which is expected to occur in the fall of 2024. All NOFA funds will be awarded contingent upon the award of LHTF funds.

2.02 FUNDING REALLOCATION

While it is anticipated that the Trust will receive its award of funds from the LHTF Program, the exact amount of funds available will not be known at the time preliminary funding commitments are made. In the event that the Trust does not receive the maximum award from the LHTF Program for which it is eligible, the amount of funds available through this NOFA will be decreased. If the LHTF Program award is less than what is anticipated, at the time of Trust Board approval of project funding, the Trust will reduce the funding of each project awarded funds by a proportional amount to the reduction in LHTF funding. The purpose of this even proportional reduction to all projects is to ensure that no single project, or subset of projects, receives the majority of the funding cut, and to ensure that all projects funded by the Trust remain viable. By applying for funding under this NOFA, Applicants agree and understand that the funding awards for projects funded with LHTF funding may be lower than initially awarded.

2.03 ELIGIBLE PROJECTS

Projects eligible under this NOFA must be located within Trust member cities (See Attachment A).

Projects located in the City of Long Beach are not eligible to receive funding available through the Gateway Cities Council of Governments Homeless Initiative, but are eligible to receive funding from all other funding sources. Therefore, projects located in Long Beach are eligible for a maximum of one million, eight-hundred eighty-one thousand, one-hundred forty-one dollars and eighty-nine cents (\$1,881,141.89).

To be eligible for LHTF funds, projects must be in cities that are in compliance with State housing law, as determined by the California Department of Housing and Community Development (HCD) as of the date the Trust applies for funds through the LHTF Program. Currently State housing law compliance status can be found on HCD's Housing Element Review and Compliance Report webpage (<https://www.hcd.ca.gov/planning-and-community-development/housing-open-data->

[tools/housing-element-review-and-compliance-report](#)) It is anticipated that the Trust will apply for LHTF funds in May 2024. At the time of issuance of this NOFA, the Trust member cities in compliance with State housing law are:

- Avalon
- Bell
- Bell Gardens
- Cudahy
- Downey
- Lakewood
- Long Beach
- Maywood
- Montebello
- Norwalk
- Paramount
- Signal Hill
- Whittier

It is encouraged that applicants with projects in member cities not in compliance with State housing law at the time of issuance of this NOFA contact the city’s planning department to determine if the city will be in compliance by May 2024 prior to applying for LHTF funds through this NOFA.

Projects must include a minimum of five (5) units which are assisted under this NOFA and must affordable housing restricted to lower income households, or more restrictive rents as required by the funding sources as described in Section 3.01, below. Proposals must include a plan and eventual funding for the provision of supportive services appropriate to the needs of the designated population, if supportive services are being proposed.

Applicants who are awarded LHTF funds through this NOFA must comply with the State of California Housing and Community Development (HCD) 2017 Uniform Multifamily Regulations (UMR). The 2017 UMR can be found on HCD’s website at <https://www.hcd.ca.gov/grants-and-funding/uniform-multifamily-regulations>.

2.04 ELIGIBLE APPLICANTS

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

2.05 ELIGIBLE ACTIVITIES

Funds shall be used to develop permanent supportive or affordable rental housing through new construction, acquisition/rehabilitation and/or conversion of commercial and light industrial to residential use on a case-by-case basis.

2.06 ELIGIBLE COSTS

Under this NOFA, funds may be used for construction loan financing and/or permanent loan financing. To the extent that all sources of project funding has been secured and are a part of either the construction loan and/or the permanent loan the following costs are eligible: “hard” costs of construction or rehabilitation of housing, “soft” costs associated with acquisition, financing, and/or rehabilitation. “Soft” costs include marketing costs (not to exceed \$1,500 per unit), appraisals, architectural and engineering fees, individual apartment furnishings, certain common area furnishings (not to exceed \$1,000 per unit), building permit fees, credit reports, environmental assessments, impact fees, legal and accounting costs, private lender origination fees, recording fees, surety fees, and title insurance. An overall cost limitation of fourteen percent (14%) of the cost of construction shall apply to contractor overhead, profit, and general requirements, excluding

contractor’s general liability insurance. For purposes of contractor overhead and profit, the cost of construction includes site work, structures, prevailing wages, and general requirements. For purposes of general requirements, the cost of construction includes offsite improvements, demolition and site work, structures, and prevailing wages.

2.07 AFFORDABILITY COVENANT

Restricted units must remain affordable for the remaining life of the project, which shall be no less than fifty-five (55) years. A restrictive covenant will be recorded against the property to ensure affordability during the term of the agreement. All projects shall be required to agree to maintain the project’s affordability for the term of the restrictive covenant, regardless of whether the loan is fully repaid.

The annual reporting requirements will be outlined in the Regulatory Agreement. Projects receiving funds from the Trust shall report annually certifying that they are in compliance with the occupancy and affordability requirements of the Regulatory Agreement.

Program Compliance shall utilize a two-step monitoring process that provides for monitoring of all affordable housing developments financed with funds from the Trust. Monitoring of each development will occur in two phases: Phase 1: In-house review of annual reports, and Phase 2: Annual on-site monitoring visit, which shall include monitoring of tenant files in accordance with the affordability and income restrictions of the restrictive covenant and a Housing Quality Standards (HQS) inspection.

2.08 LOAN AWARD TERMS & CONDITIONS

Applicants shall agree to the Loan Award Terms and Conditions detailed in this section, and included in Attachment B, *Loan Application Underwriting Criteria*, as part of any funding award. Failure to accept these Loan Award Term and Conditions will result in forfeiture of any funding award.

- 2.08.1** **Funding Timing:** Loan funds may be made available at the closing of the construction loan and/or closing of the permanent loan and is subject to the timing of HCD final approval of the Loan documents. However, no loan funds, or hard loan commitments, will be made available prior to the award of funds to the Trust through the LHTF Program. The Trust **will not** bifurcate award funding in order to meet closing dates occurring before additional funding is awarded or made available through the LHTF Program.
- 2.08.2** **Interest Rate:** Loans will bear an interest rate of three percent (3%) simple interest. Interest will be calculated based on a 360-day year and the actual number of days elapsed. The Gateway Cities Affordable Housing Trust reserves the right to renegotiate this rate for the benefit of the Trust and the project.
- 2.08.3** **Term:** Loans will be for a term of the life of the project, which shall be no less than fifty-five (55) years, from conversion of construction financing to permanent financing.
- 2.08.4** **Loan Repayment:** The Trust loan will be repaid through residual receipts. An amount equal to fifty percent (50%) of Net Operating Income (as defined in Section 2.10.5, *Residual Receipts Loans*, below), if any, will be paid to the

Trust and other public agencies (if any) providing residual receipts loans, and fifty percent (50%) to the developer. The 50% of cash flow payable to public agencies shall be shared by agencies in an amount proportional to the loan provided by such agencies. The value of non-loan contributions by other agencies (i.e. ground lease, project-based vouchers) shall not be considered as part of the loan value when calculating the Trust's share of the residual receipts split.

2.08.5 **Residual Receipts Loans:** The following is the definition of a residual receipts loan, which will be used by the Trust to underwrite projects:

The loan for the project will be repaid from the Net Operating Income (NOI), if any, from the project as calculated ninety (90) days after the close of each fiscal year. NOI shall mean all of the rental revenue from the residential portion of the project (the "Annual Project Revenue") less (i) operating expenses of the project as approved by the Trust (the "Annual Operating Expenses") in an annual audit submitted by the developer and approved by the Trust; (ii) obligated debt service payments on the Project as approved by the Trust; (iii) scheduled deposits to reserves, as approved by the Trust; (iv) deferred developer fees, as approved by the Trust; and (v) partnership management or asset management fees as approved by the Trust.

Annual Project Revenue shall not include tenant security deposits, capital contributions, insurance or condemnation proceeds, income received for the purpose of completing the project, or funding received for the purpose of social services to the residents.

By applying to this NOFA, Applicant understands and agrees to the definitions stated above and must use these assumptions in the further underwriting of their project.

Exclusions to NOI: It is the policy of the Trust that the following costs, fees, charges, penalties, judgments and the like shall not be deducted from the Annual Project Revenue by the developer thereby reducing the amount of NOI available to pay the Trust's loan, including those arising out of: (i) a breach or default of the Trust's loan or any other mortgage loan on the project, (ii) the fraud, negligence or willful misconduct of developer, (iii) the failure to make timely payments under any loan secured by the project, (iv) the breach or default by developer under any other contract, lease or agreement pertaining to the project; and (v) any other cost, expense, fee or the like which is not first approved by the Trust. The approved Operating Expenses of the project shall also not include other expenses such as intra-partnership or other internal loans of the operating entity, depreciation, amortization, accrued principal and interest expense on the deferred payment debt and capital improvement expenditures unless approved by the Trust.

2.08.6 **Security:** The loan shall be evidenced by a promissory note and secured by

a deed of trust on the property. The Trust may, but is not required to, accept a leasehold deed of trust on projects where the developer has a ground lease on the project.

2.08.7 **Subordination:** The Gateway Cities Affordable Housing Trust may, at its sole discretion, subordinate repayment, security positions, and affordability covenants to a conventional lender or other public agency lenders such as the State of California HCD, County of Los Angeles, city loans, and CalHFA or AHP loans. The Trust’s Regulatory Agreement shall not be subordinated to any Deed of Trust, but may be subordinated to other regulatory agreements.

2.09 LOAN DOCUMENTS

It is anticipated that the loan documents for each project awarded funding will include five documents: a Loan Agreement, a recorded Regulatory Agreement, a recorded Deed of Trust, a recorded Assignment of Leases, and a Promissory Note. The Trust shall develop standard templates for each of these loan documents for all projects awarded funding under this NOFA. Deal specific items and modifications to the template loan documents will be negotiated during the construction loan closing process. All Trust loan documents will need to be reviewed by the California Department of Housing and Community Development prior to construction loan closing.

The Loan Agreement provides for the overarching structure of the Trust’s loan to the project. The

2.10 MAXIMUM LOAN AMOUNT/SUBSIDY LIMITS

The maximum loan/subsidy amounts shall be calculated on the basis of the number of units assisted by the Trust and shall vary by unit size. However, in no case shall the Trust’s investment in a single development exceed two-million five-hundred thousand dollars (\$2,500,000). This cap may be waived at the sole discretion of the Trust Board. Final award amounts shall be at the discretion of the Trust Board. The maximum unit subsidy limits are shown below:

Unit Size	Loan Limit
0 Bedroom	\$110,000
1 Bedroom	\$125,000
2 Bedroom or larger	\$135,000

2.11 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.

2.12 NOFA SCHEDULE MILESTONES

The Gateway Cities Affordable Housing Trust is committed to helping Affordable Housing units be occupied as quickly as possible. The Trust will strive to meet the following milestones:

1. NOFA Issuance – February 1, 2024
2. NOFA Applicant Meeting and Q&A Session February 13, 2024 1:00-2:30pm
Register on Zoom at:
<https://us06web.zoom.us/meeting/register/tZYrc-CurD0qGdx2TLfzZcO4WbjcaQosn8Sr>
3. Applications Deadline –March 15, 2024, 5:00pm
4. Application Review Committee meeting April 2024
5. Trust Board Meeting and approval of NOFA awards –May 2024

2.13 APPLICATION REVIEW COMMITTEE

After the close of the NOFA application period, the Gateway Cities Affordable Housing Trust will convene an Application Review Committee to review and score the applications. The Application review Committee may include:

- Trust financial consultant
- (Interim) Trust Manager
- Gateway Cities Council of Government staff

2.14 FUND TIMING

Due to the Trust not receiving the LHTF award for the 2023 program year, projects awarded funding through this NOFA shall not close on their Trust loan prior to May 2024. Projects receiving LHTF funds through this NOFA shall not close on their Trust loan prior to the Trust executing a Standard Agreement with California Department of Housing and Community Development (HCD) for the LHTF Program, which is anticipated it occur in early 2025. It is anticipated that all Trust loans will dry close at the time of construction loan closing. While the Trust will endeavor to fund loans as quickly as possible after construction loan closing, the Trust cannot fund its loans until it has received funds from the HCD for the project. It is typical that this funding will occur three to six months into construction of the project.

2.15 INSURANCE

Projects will be required to provide both title and liability insurance covering the Trust for the project. Liability insurance shall include no less than:

- Workers' Compensation insurance and Employers' Liability insurance with a minimum limit of \$1,000,000 per occurrence;
- Builder's all-risk insurance covering one hundred percent (100%) of the replacement cost of the Project;
- Fire and hazard "all risk" insurance with boiler and machinery coverage, covering one hundred percent (100%) of the replacement cost of the Project; and,
- General liability insurance in an amount not less than \$5,000,000 for combined single limit per occurrence to cover bodily injury and property damage and \$5,000,000 in the aggregate.

The title policy shall include no less than:

- an ALTA loan policy-2006, with ALTA endorsement Form 1 coverage, amended 6/1/87, without further revision or amendment, issued by an insurer satisfactory to Trust, together with an unconditional CLTA 100 endorsement, a CLTA 103.7 endorsement, a CLTA 116.1 endorsement, an ALTA Form 8.1 endorsement and all other endorsements and binders

required by Trust, naming Trust as the insured, in a policy amount of not less than the Loan.

2.16 ASSIGNMENT AND ASSUMPTION

The project applicant must be the project partnership's general partner. Replacement of the project partnership's general partner by the limited partner shall be subject to approval by the Trust. In the event of removal of the project partnership's general partner for cause, the limited partner may temporarily replace the general partner with an affiliate of the limited partner for a period of no more than 90 days. In such an event, approval of a permanent replacement general partner shall be subject to approval by the Trust.

2.17 LABOR STANDARDS

To the extent applicable, the Borrower agrees to comply with the requirements of the California Department of Industrial Relations Prevailing Wage Requirements and the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours, the Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the project.

Section 3 THRESHOLD REQUIREMENTS

3.01 INCOME LIMITS

Project applications must identify the number of units that are funded by each source of funding made available through this NOFA. Units funded with Homeless Initiative funds and thirty-two percent (32%) of units funded with LHTF funds must be affordable to extremely-low income households (less than 30% AMI). The remaining sixty-eight percent (68%) of units funded with LHTF funds may be made affordable for low income households up to 60% AMI. Utility costs shall be deducted from the tenants rent so that rent and utilities combined remain at an affordable level. Projects receiving funding through the California Department of Housing and Community Development's (HCD's) Local Housing Trust Fund Program must meet the income limits as published by HCD (<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2023.pdf>).

3.02 SUPPORTIVE SERVICES

Homeless Initiative funded units by the Trust shall include supportive services to ensure the maximum possible self-sufficiency by the tenants. A Social Services Plan and budget is required to document anticipated services that will be provided for all supportive and non-supportive units in the proposed project. This Social Services Plan shall identify a lead service provider and other service providers who will be working with residents. A list of services should be included for each population that will be served at the property.

3.03 RESERVES

Projects funded by the Trust shall include a Capitalized Operating Reserve for units funded with Homeless Initiative funds. Projects that have project-based rental assistance for these units, such as Project Based Section 8 Vouchers, may forego the Capitalized Operating Reserve. The Capitalized Operating Reserve shall provide for the ongoing operation and maintenance of the project and the provision of required supportive services throughout the term of the of the loan agreement.

In addition to the Capitalized Operating Reserve, projects shall provide for a Replacement Reserve to cover replacement of capitalized cost items. The replacement reserve shall be no less than \$350/unit/year, increasing at two percent (2%) per year.

3.04 COMPLIANCE MONITORING FEE

The Gateway Cities Affordable Housing Trust shall charge all projects an annual compliance monitoring fee of \$110 per unit per year, increasing annually in accordance with the Consumer Price Index for Los Angeles – Anaheim – Riverside (All Urban Consumers – All Items) (CPI).

3.05 FINANCIAL COMMITMENTS

Projects must have all financing committed within 18 months of the Trust's award letter or risk losing their project funding. The Trust reserves the right to extend this time limit at its sole discretion.

3.06 UNDERWRITING ASSUMPTIONS

The Gateway Cities Affordable Housing Trust has developed a set of underwriting assumptions to evaluate the financial feasibility of each project. These underwriting assumptions are based on the requirements of the Trust's funding sources and industry best practices. The underwriting assumptions can be found in Attachment B. Applicants are encouraged to use these underwriting

assumptions in their project proforma that will be submitted as part of their application to this NOFA. Further underwriting requirements are contained in the California Department of Housing and Community Development Uniform Multifamily Regulations located at <https://www.hcd.ca.gov/grants-and-funding/uniform-multifamily-regulations>.

Section 4 SCORING

Applications will be competitively scored and ranked against other projects. Scoring serves as a basis to compare applications but ultimately the decision to award funds is based upon the Trust Board approval.

Project scoring shall be based on the following categories:

1. Project readiness;
2. Developer experience;
3. Service enriched location; and,
4. Affirmatively Furthering Fair Housing.

Projects that have identical scores based on the project scoring will be ranked by a tie-breaker detailed below in Section 4.04, *Tiebreaker*.

4.01 PROJECT READINESS

Projects shall be scored on how quickly they will have units ready for occupancy. Projects will receive a maximum of 35 points for project readiness. For acquisition/rehab projects, projects will be deducted one point for each month past January 1, 2025 for its scheduled loan closing. For new construction projects, projects will be deducted one point for each month past April 1, 2025 for its scheduled loan closing.

4.02 DEVELOPER EXPERIENCE & FINANCIAL STRENGTH

A maximum of 40 points will be available for applicants based on their prior development experience and financial strength. One point will be awarded for every ten (10) units of Affordable Housing that the applicant developed and currently operates. Discretionary scoring may adjust this number downward based upon the financial strength of the applicant.

4.03 SERVICE ENRICHED LOCATION

Projects will be awarded a maximum of 28 points based on proximity to nearby amenities. Distances 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.

Amenity definitions and criteria mentioned below shall have the same definition as the California Tax Credit Allocation Committee Regulations in effect at the time this NOFA was issued.

https://www.treasurer.ca.gov/ctcac/programreg/regulations_committee.pdf

4.03.1 Grocery Store

Projects will be awarded 5 points if they are within 0.25 miles of a full-scale grocery store. Projects will be awarded 2 points if they are within 0.50 miles of a grocery store.

4.03.2 Medical Care

Projects will be awarded 5 points if they are within 0.5 miles of a hospital. Projects will be awarded 3 points if they are within 0.5 miles of an urgent care facility or qualifying medical clinic with a physician, physician's assistant, or nurse practitioner onsite for a minimum of 40 hours each week (not merely a private doctor's office). A qualifying medical clinic must accept Medi-Cal payments, or Medicare payments or have an equally comprehensive subsidy program for low-income patients.

4.03.3 Community Center

Projects will be awarded 5 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.

4.03.4 Public Park

Projects will be awarded 5 points if they are within 0.5 miles of a public park.

4.03.5 Transit

Projects will be awarded 5 points if they are within 0.5 miles of a bus 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. If frequency and hours cannot be met but the project is still within 0.5 miles, 3 points will be awarded.

4.03.6 School

Projects wherein at least 25 percent (25%) of the Low-Income Units shall be three-bedroom or larger units, will be awarded 3 points if they are within 1/4 mile of a public elementary school; 1/2 mile of a public middle school; or one (1) mile of a public high school, adult education campus of a school district, or community college and that the site is within the attendance area of that school or campus.

4.03.7 Affirmatively Furthering Fair Housing

Projects will be awarded 5 points if they are located in a High or Highest Resource area designated on the 2023 TCAC/HCD Opportunity Area Map (<https://belonging.berkeley.edu/2023-ctcac-hcd-opportunity-map>).

4.04 TIE BREAKER

Projects receiving identical scores based on the project scoring will be ranked based on a tie breaker. The tie breaker is intended to determine the efficiency of each project's use of Trust funds. The tie breaker is a calculation of the requested Trust loan amount per unit in the project, with the project receiving fewer dollars per unit winning the tie breaker. (Total project request / total number of affordable units in the project = Trust dollars/unit.) The total number of affordable units in the project includes all affordable units, not limited to the number of units the applicant is requesting be funded through this NOFA. If a project includes multiple phases, the total number of affordable units in the project shall only include the number of units being proposed as part of the phase of the project that is being considered as part of the application to this NOFA.

Section 5 APPLICATION

This NOFA has an online application that is available at <https://forms.gle/961GvSBAGDpNMG5w6>. Applications must be submitted through this website no later than 5:00pm, March 15, 2024. All submissions will be automatically date and time stamped. The application will consist of several parts, which are described below.

The online application form cannot be saved as a work-in-progress, and can only be saved once fully complete. A copy of the entire application form is provided as Attachment C to this NOFA.

5.01 GENERAL APPLICATION FORM

The General Application Form includes basic information about the project and the applicant. Project information will include project name, address, and type of project. Applicant information will include the applicant name, contact information, and the legal structure of the applicant.

5.02 PROJECT NARRATIVE

A narrative description of the project is required. The project narrative must include:

- 1. The purpose and the scope of the project.
- 2. Identify the neighborhood the project will serve.
- 3. Summarize the condition of the housing stock in the neighborhood.
- 4. Document neighborhood services (public transportation, schools, shopping, etc.)
- 5. Discuss the process and timing to receive entitlement approvals.

The project’s narrative description will be submitted as a long-form text entry field in the online application form. There is no specific character limit for this text entry field, however applicants are encouraged to be concise and brief in describing the project.

5.03 PROJECT VICINITY MAP

A map showing the project site is required. The map should clearly show the project site boundaries and the surrounding neighborhood. In addition, the vicinity map must clearly show all service enriched amenities for which the applicant is seeking points for project scoring. The map should include the project boundary and numbered location markers showing the location of each amenity being used as part of the project scoring points calculation. In the map legend, include the name of each amenity and its corresponding numbered location marker, as well as the distance from the project site to the amenity. In addition to the one-page map, the applicant shall provide a schedule for any transit amenities being claimed as part of the project scoring. The file size for the PDF is limited to 100 megabytes.

5.04 PROJECT PROFORMA

The Gateway Cities Affordable Housing Trust will provide all applicants with a blank project proforma in Excel for them to fill out and submit as part of their application. The project proforma must be submitted in an Excel format.

In the event that the project proforma does not show any repayment of the Trust’s loan within the first fifteen years of project operation, a 55-year cashflow project will need to be included as part of the project proforma.

5.05 FINANCIAL NOTES AND ASSUMPTIONS

Provide a brief narrative regarding each of the expected funding sources and their expected timing and other details indicating likelihood of award.

The project's financial notes and assumptions will be submitted as a long-form text entry field in the online application form. There is no specific character limit for this text entry field, however applicants are encouraged to be concise and brief in detailing their financial assumptions. Any and all residual receipts assumptions must include the criteria listed in 2.08.5.

5.06 PROJECT SITE APPRAISAL

Provide a project site appraisal that supports the land costs shown in the project proforma. If the land cost is being used as a source of funds, such as if a city is contributing the land for a nominal fee or as a long-term ground lease, the project site appraisal should match or be greater than the value of land shown as a source of funds for the project.

The project site appraisal will be accepted as a PDF. The file size for the PDF is limited to 100 megabytes.

5.07 PROJECT SCHEDULE

Provide a project schedule that includes funding milestones (anticipated application and award dates for all other funding sources), anticipated construction loan closing date, construction duration, and anticipated placed in service date.

The project schedule will be accepted as a PDF. The file size for the PDF is limited to 10 megabytes.

5.08 DEVELOPMENT TEAM MEMBERS

Provide the name, address, contact person, telephone number, e-mail address, and resumes for members of the proposed project team. Include the developer principals and project manager, architect, civil engineer, contractor, and social services provider (if applicable).

The list of development team members and their resumes will be accepted as a PDF. Limit the resume of each team member to two pages each. Please exclude any marketing material from all team members. The file size for the PDF is limited to 100 megabytes.

5.09 APPLICANT EXPERIENCE

Provide a brief description of the applicant's experience developing the type of housing that is being proposed.

The applicant's experience will be submitted as a long-form text entry field in the online application form. There is no specific character limit for this text entry field, however applicants are encouraged to be concise and brief in detailing their experience.

5.10 APPLICANT FINANCIAL STRENGTH

Provide the most recent audited financial statements and a schedule of real estate owned. A template for the schedule of real estate owned is provided on the Gateway Cities Affordable Housing Trust's

website, other formats that include similar information will be accepted.

The audited financial statements and schedule of real estate owned will be submitted as separate PDFs. The file size for each PDF is limited to 100 megabytes.

5.11 LOCAL JURISDICTION ACKNOWLEDGEMENT LETTER

Provide a letter from the local jurisdiction in which the project is located stating that the governing body of the local jurisdiction is aware of and supportive of the project. This letter may be from the jurisdiction's City Manager, Assistant City Manager, Community Development Director, Housing Manager, or similar official, who is authorized to issue such a letter.

This Local Jurisdiction Acknowledgement Letter must be uploaded as a PDF as part of the application. The size of the PDF is limited to 10 megabytes.

5.12 SOCIAL SERVICES PLAN

All applications shall include a Social Services Plan demonstrating how social services appropriate to the needs of the residents will be provided. The Plan shall include provisions specified in Section 3.02 of this NOFA and provide a description of the proposed social services to be provided, including:

- Target Population
- Types of Services to be provided
- Agency which will provide the services and their experience
- Location of the services (on or off-site, and if off-site, where and provide travel plan for clients)
- Proposed source of funding for services
- Status of funding for services
- Any fees to be charged for services

The Social Services Plan should address all populations that will reside in the proposed project. All applicants must identify a qualified service provider that will provide supportive services to the residents occupying units assisted under this NOFA. The applicant will be required to arrange for the provision of supportive services for the term of the assistance provided under this NOFA.

The social services plan will be uploaded as a PDF through the application form. The size of the PDF is limited to 100 megabytes.

5.13 SOCIAL SERVICES OPERATING BUDGET

If the applicant is proposing to fund services for the people experiencing homelessness through project revenues, or a funding source that is specific to the project, provide a budget for the social services. A budget is not required where services are proposed to be provided by third party agencies from existing revenue sources.

The social services operating budget will be uploaded as a PDF through the application form. The size of the PDF is limited to 10 megabytes.

5.14 LEVINE ACT STATEMENT

To comply with Government Code section 84308, a provision of the Political Reform Act generally known as the “Levine Act” which is effective January 1, 2023, each applicant will need to complete and submit a Campaign Contribution Disclosure Form with their application. (Attachment D).

The Levine Act Statement will be uploaded as a PDF through the application form. The size of the PDF is limited to 10 megabytes.

ATTACHMENT A LIST OF TRUST MEMBERS

1. Avalon
2. Artesia
3. Bell
4. Bell Gardens
5. Commerce
6. Cudahy
7. Downey
8. Lakewood
9. Long Beach
10. Maywood
11. Montebello
12. Norwalk
13. Paramount
14. Santa Fe Springs
15. Signal Hill
16. South Gate
17. Vernon
18. Whittier

ATTACHMENT B UNDERWRITING ASSUMPTIONS

1. Max project loan amount:
 - a. \$2,500,000.
2. Trust Loan Interest Rate:
 - a. 3% simple interest
3. Maximum loan amount per unit:
 - a. Zero-bedroom: \$110,000.00.
 - b. One-bedroom: \$125,000.00.
 - c. Two-bedroom+: \$135,000.00.
4. Maximum marketing costs:
 - a. \$1,500/unit.
5. Maximum common area furnishing cost:
 - a. \$1,000/unit.
6. Maximum contractor overhead, profits, and general requirements:
 - a. 14% of total construction costs.
7. Developer fee
 - a. within TCAC limits for tax credit projects or in accordance with HCD 2017 UMR for projects without tax credits.
8. Maximum Partnership Management Fees (combined, all partners):
 - a. \$15,000/year
9. Capitalized operating subsidy reserve for PSH units:
 - a. Minimum 17 years of operating costs or rental subsidy (i.e. Project Based Vouchers, VASH, etc.)
10. Replacement reserve:
 - a. \$350/unit/year (non-PSH units), \$500/unit/year increasing 5% every 5 years (PSH units).
11. Vacancy rate:
 - a. 5%.
12. Rent inflation rate:
 - a. 2.5%.
13. Misc. income inflation rate:
 - a. 3.0%.
14. Expense inflation rate:
 - a. 3.5%.
15. Debt coverage ratio:
 - a. between 1.1 and 1.2.

16. Residual receipts:

- a. to repay loan over loan term.

17. Appraisal to support the cost of land.

18. Min projected operating expenses:

- a. Total Operating Expenses (not including property taxes or the approved costs of on-site service coordination) shall not be less than those specifically listed in California Code of Regulations, Title 4, Section 10327 as minimum Operating Expenses (without the reduction allowed by those regulations for bond-financed projects). The GCAHT may project higher Operating Expenses where warranted by the experience of comparable properties and particular building characteristics, such as the nature of the tenant population or the level of rehabilitation. Prior to loan closing, the GCAHT may approve total Operating Expenses that are less than those specified in Section 10327, supra, only if the Project has Uniform Multifamily Regulations 11/15/2017 Page 18 of 35 an extraordinary design feature, such as its own electrical generation system, which results in a quantifiable operating cost savings as documented by a qualified third party.
- b. All Operating Expenses, including property management fees, shall be within the normal market range, as periodically determined by the GCAHT in surveys or based on costs observed in its portfolio.

19. Contingency:

- a. Where GCAHT is providing construction-period financing, the minimum budgeted construction contingency shall be 5 percent of construction costs for new construction projects and 7.5 percent of construction costs for rehabilitation and conversion projects.

20. Positive cash flow:

- a. The Project must demonstrate a positive cash flow for 15 years, using income and expenses increase rate assumptions specified in California Code of Regulations, Title 4, Section 10327. If projected Project income includes rental assistance or operating subsidy payments under a renewable contract, the GCAHT may assume that this contract will be renewed, where the renewal of the rental assistance or operating subsidy is likely.

21. Subordination Policy:

- a. GCAHT may execute and cause to be recorded a subordination agreement subordinating the GCAHT lien so long as the subordination does not increase the GCAHT's risk beyond that contemplated in the Program loan or grant commitment,

as may be amended from time to time, and so long as the subordination would further the interest of the Program.

22. Senior lender loan types and junior lender loan types:

- a. Balloon payments are not allowed on senior debt. Balloon payments are allowed on junior debt during the term of the Trust's loan only where the Trust determines that the balloon payment will not jeopardize project feasibility.

23. Leasehold security requirements:

- a. The Regulatory Agreement, Deed of Trust, Assignment of Leases, and any subordination agreements shall be recorded against both the Sponsor's interest in the Project and the fee interest in the land, and the lease shall have a term remaining at the time of recordation at least equal to the term of the Trust' loan.

ATTACHMENT C ONLINE APPLICATION FORM REFERENCE

Below is a printscreen of the online application tool for the 2024 GCAHT NOFA. Please use this reference to help understand the application requirements prior to beginning the application.



2024 GCAHT NOFA

Submit one application per project using the form below. All responses are due no later than 5:00 pm, March 15, 2024. The NOFA document and attachments can be found on the GCAHT website at <https://www.gchousingtrust.org/affordable-housing-loan-program>

grant@mobius-planning.com [Switch account](#)



The name and photo associated with your Google account will be recorded when you upload files and submit this form. Your email is not part of your response.

* Indicates required question

General Application

Applicant Name *

Your answer

Applicant Legal Structure *

- Corporation
- General Partnership
- Limited Partnership
- Limited Liability Company
- Other: _____

Non-Profit Status *

- Non-Profit
- For-Profit

Applicant Address *

Your answer _____

Point of Contact *

Your answer _____

Phone Number *

Your answer _____

Project Name *

Your answer

Project Street Address *

Your answer

Project City *

Your answer

Project Zip Code *

Your answer

Type of Project *

- New Construction
- Aquisition rehab

Next



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2024 GCAHT NOFA

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Project Narrative

A narrative description of the project is required. The project narrative must include:

1. The purpose and the scope of the project.
2. Identify the neighborhood the project will serve.
3. Summarize the condition of the housing stock in the neighborhood.
4. Document neighborhood services (public transportation, schools, shopping, etc.)
5. Discuss the process and timing to receive entitlement approvals.

Project Narrative *

Your answer

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Project Vicinity Map

A map showing the project site is required. The map should clearly show the project site boundaries and the surrounding neighborhood. In addition, the vicinity map must clearly show all service enriched amenities for which the applicant is seeking points for project scoring. The map should be uploaded as a single-page PDF.

Project Vicinity Map *

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Project Financing

Provide a completed project proforma in Excel. A blank project proforma is provided on the Gateway City Affordable Housing Trust's website at <https://www.gchousingtrust.org/affordable-housing-loan-program>

Provide a brief narrative regarding each of the expected funding sources and their expected timing and other details indicating likelihood of award.

Project Proforma *

 [Add file](#)

Financial Notes and Assumptions *

Your answer

Project Site Appraisal

 [Add file](#)



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Project Schedule

Provide a project schedule that includes funding milestones (anticipated application and award dates for all other funding sources), anticipated construction loan closing date, construction duration, and anticipated placed in service date.

Project Schedule *

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Development Team Members

Provide a list of Development Team Members. Include the name, address, contact person, telephone number, e-mail address, and resumes for all members of the proposed project team. Provide a single PDF no larger than 100MB in size with all required information.

Provide a brief description of the Applicant Experience developing Permanent Supportive and Affordable Housing.

Development Team Members *

 [Add file](#)

Applicant Experience *

Your answer

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GATEWAY

Cities

AFFORDABLE
HOUSING TRUST

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Applicant Financial Strength

Provide the most recent audited financial statements and a schedule of real estate owned. A template for the Schedule of Real Estate Owned is provided on the Gateway City Affordable Housing Trust's website at <https://www.gchousingtrust.org/affordable-housing-loan-program>, other formats that include similar information will be accepted.

Audited Financial Statements *

[Add file](#)

Schedule of Real Estate Owned *

[Add file](#)



2024 GCAHT NOFA

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Local Jurisdiction Acknowledgement Letter

Provide a letter from the local jurisdiction in which the project is located from the jurisdiction's City Manager, Assistant City Manager, Community Development Director, Housing Manager, or similar official stating that the local jurisdiction is aware of and supportive of the project.

Local Jurisdiction Acknowledgement Letter *

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GATEWAY

Cities

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HOUSING TRUST

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* Indicates required question

Social Services

Provide a Social Services Plan demonstrating how social services appropriate to the needs of the homeless residents will be provided. The Plan shall include provisions specified in Section 3.02 and Attachment B of the NOFA and provide a description of the proposed social services to be provided, including:

- Target Population
- Types of Services to be provided
- Agency which will provide the services and their experience
- Location of the services (on or off-site, and if off-site, where and provide travel plan for clients)
- Proposed source of funding for services
- Status of funding for services
- Any fees to be charged for services

Social Services Provider *

of the homeless residents will be provided. The Plan shall include provisions specified in Section 3.02 and Attachment B of the NOFA and provide a description of the proposed social services to be provided, including:

- Target Population
- Types of Services to be provided
- Agency which will provide the services and their experience
- Location of the services (on or off-site, and if off-site, where and provide travel plan for clients)
- Proposed source of funding for services
- Status of funding for services
- Any fees to be charged for services

Social Services Provider *

Your answer

Social Services Plan *

 Add file

Social Services Operating Budget *

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Google Forms



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Levine Act Statement

Provide a signed Levine Act Statement as a PDF. The Levine Act Statement is available as Attachment D to the NOFA.

NOTE: Once you press submit, it may take up to several minutes for your application to be saved.

Levine Act Statement *

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ATTACHMENT D LEVINE ACT STATEMENT

**GATEWAY CITIES AFFORDABLE HOUSING TRUST
CAMPAIGN CONTRIBUTION DISCLOSURE FORM**

Was a campaign contribution, regardless of the dollar amount, made to any member of the Gateway Cities Affordable Housing Trust Board of Directors on or after January 1, 2023, by the applicant, or, if applicable, any of the applicant's proposed subcontractors or the applicant's agent or lobbyist?

Yes _____ No _____

If no, please sign and date below.

If yes, please provide the following information:

Applicant's Name: _____

Contributor or Contributor Firm's Name: _____

Contributor or Contributor Firm's Address: _____

Is the Contributor:

- The Applicant Yes _____ No _____
- Subcontractor Yes _____ No _____
- The Applicant's agent/ or lobbyist Yes _____ No _____

Note: Under California law as implemented by the Fair Political Practices Commission, campaign contributions made by the Applicant and the Applicant's agent/lobbyist who is representing the Applicant in this application or solicitation must be aggregated together to determine the total campaign contribution made by the Applicant.

Identify the Trust Board Member(s) to whom you, your subcontractors, and/or agent/lobbyist made campaign contributions on or after January 1, 2023, the name of the contributor, the dates of contribution(s) and dollar amount of the contribution. Each date must include the exact month, day, and year of the contribution.

Name of Trust Board Member: _____

Name of Contributor: _____

Date(s) of Contribution(s): _____

Amount(s): _____

(Please add an additional sheet(s) to identify additional Trust Board Members or to whom you, your subconsultants, and/or agent/lobbyist made campaign contributions)

By signing below, I certify that the statements made herein are true and correct. I also agree to disclose to the Gateway Cities Affordable Housing Trust any future contributions made to members of the Trust Board of Directors by the applicant, or, if applicable, any of the applicant's proposed subcontractors or the applicant's agent or lobbyist after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested license, permit, or entitlement to use.

Date

Signature of Applicant

Print Firm Name, if applicable

Print Name of Applicant

GATEWAY CITIES AFFORDABLE HOUSING TRUST BOARD MEMBERS

Fernando Dutra, Chair

Salvador Melendez, Vice Chair

Jeff Wood

Kevin Lainez

Megan Kerr

Ana Maria Quintana

Edward Wilson

Carol Averell