

**City of Oakland NOFA Review Meeting
Questions and Answers
October 1, 2009**

1. Is a meeting necessary with the redevelopment project area committee if no money controlled by them is available?

Yes, the committees need to advise Council of their recommendations about all proposals in their area, and request presentations by developers in order to do that.

2. What will the split of funds be between the regular NOFA and the rehabilitation NOFA?

This has not been decided. Several important applications are expected for rehabilitation of at-risk existing affordable housing projects, but a new source of funds (NSP-2) may become available to help meet that demand.

3. For Rehabilitation NOFA projects, shouldn't LLC's be included with LP's and 501(c)3's as eligible applicant entities?

Yes, as long as the LLC's managing member is a non-profit and all other eligibility requirements are met.

4. For Rehabilitation NOFA projects, what if a full 10-year rent history isn't available?

Explain, and provide as much history as is available on the rent levels and vacancy rates. If property has changed hands make sure to note the transfer.

5. Do the contracting programs for construction apply only to the amount of City funds spent on the project, or the total construction budget?

The programs will apply to the total construction budget. Below is an example:

<i>Hard Costs</i>	<i>City/Agency Funds</i>	<i>City/Agency Funds going towards Hard Costs</i>	<i>S/LBE Requirements (20%, including at least 10% SLBE)</i>
<i>\$5,000,000</i>	<i>\$2,000,000</i>	<i>\$1,500,000</i>	<i>\$1,000,000 (including at least \$500K SLBE)</i>

6. For Rehabilitation NOFA projects, are larger deposits to reserves than the required minimums acceptable, where this would reduce available cash flow?

Possibly; you should request this as a special exception, and provide long-term operating proformas for both the usual scenario (with minimum rates) and for the special proposal, and justify why additional reserves are required.

7. If audited financial statements are available for only the most recent year, are statements prepared and certified by a CPA acceptable in lieu of audited statements for the previous year?

This will probably be acceptable; please include an explanation of the circumstances, including why audited financials are not available for previous years.

8. What if no audited financial statements are available?

Please call or email staff with an explanation of what formal financial information is available to see if it will be acceptable. A lack of professionally-prepared statements may suggest inadequate developer preparation and capacity, and could result in zero points for financial capacity, or potential disqualification of a proposal.

9. The NOFA addendum indicates Asset Management Fees are only available for tax credit projects; is that correct? Shouldn't they be available for others as well?

The City currently doesn't have a policy regarding Asset Management fees for non-tax credit projects, but we would consider it. If you want to request this, please include the request in your application.

10. What are the design guidelines for NOFA projects?

See pages 23-4 of the NOFA.

11. What kind of financing commitments are required for the application?

An estimated total sources and uses budget, including anticipated financing sources, must be included in the application. Commitment letters aren't required, but a project will get points for financing commitments if they have been received. Note that commitments will not be counted for points if they require subordination of the City's regulatory restrictions.

12. What is required for the CEQA study?

A preliminary CEQA report needs to be prepared by a CEQA Consultant. Additional CEQA review may be required during the entitlement process when more project details for the project are available, or if the project plan has changed.

ADDITIONAL NOTE REGARDING APPRAISALS: *It has come to staff's attention that the Minimum Appraisal/Appraiser Requirements in the NOFA are out-of-date. They should read:*

- 1. Appraiser must be State Certified and qualified to appraise the property in question.*
- 2. Appraisal must be in Summary Report format at a minimum.*
- 3. Appraisal must comply with Standard 1 and 2 of the Uniform Standards of Professional Appraisal Practice.*