



HOUSING DEVELOPMENT GRANT FUND APPLICATION

Applications are to be submitted electronically. This document may be used as a resource while compiling information for the electronic submission.

Applicant Information

Jurisdiction information

City/Community:

Address:

Staff Contact (Name/Title):

Email:

Phone:

Co-Applicant (Developer/Nonprofit)

Company:

Address:

Website:

Staff Contact (Name/Title):

Email:

Phone:

Threshold Requirements

Projects must meet the following threshold requirements with a “Yes” to proceed to scoring:

1. Applicant: Does the organization qualify as eligible to apply?

_____ Public Agency

_____ For-profit developer working in partnership with a local jurisdiction



_____ Non-profit organization qualified as a 501©(3) of the Internal Revenue Code with demonstrated prior experience in housing development and/or homeless services

2. Housing Type: Does the project qualify as a priority housing type? Please see the AD HOC Committee Housing Guidelines.

HIGHEST PRIORITY

Low Barrier Emergency Shelter (If applicable, select one or more of the following):

_____ **Navigation Center**

Per the AD HOC Guidelines, while other navigation facility types can be considered, projects proposing the conversion of warehouses or light-industrial buildings are preferred.

_____ **Sobering Center**

This model will offer immediate support to front-line responders. Sobering centers will offer services and housing navigation to facilitate transition to longer term care and support for the homeless population

_____ **Service-Enriched Housing Campus**

Service-enriched housing campuses offer a full continuum of care, including emergency shelter, transitional housing, recuperative care services, and permanent supportive housing that include supportive services.

_____ **Faith-Based Models of Care**

Emphasizes faith-based providers, in particular large scale organizations, that leverage significant private funding to address the immediate and ongoing needs of the homeless population. This model reduces dependency on public funding and support.

LOWER PRIORITY (IF FUNDING PERMITS)

_____ **Transitional Housing****

Interim housing that includes supportive services for individuals and/or families and is limited to an occupancy term of 3-24 months.

** Please note: For transitional housing, a single-family home/residential dwelling cannot house more than 6 individuals unless the local jurisdiction has issued a Conditional Use Permit.

_____ **Permanent Supportive Housing (PSH)**

Affordable housing with voluntary supportive services to address the needs of Chronically homeless persons.

3. Site Control: Does the project demonstrate site control?

_____ Property owned by applicant



_____ Applicant has entered into a lease agreement that exceeds the required affordability term per the Housing Development Fund guidelines

_____ Property is under an executed Purchase and Sale Agreement (PSA)
If applicable, then provide a copy of the PSA with this application and redact any sensitive information.

4. Operational Budget - (May be incorporated into the pro forma)

- The budget must include the titles of all staff that will be directly assigned for the operation of the project/facility. Include the percentage allocation of each staff member's time.

5. Project Cost/Development Budget (May be incorporated into the pro forma)

Background Information

Please answer the following questions for the city/community in which the proposed project will be located.

Homeless Count per the 2024 Point-In-Time (PIT) count:

1. # of Unsheltered Homeless:
2. # of Sheltered Homeless:

The PIT Report is available online at: <https://www.sbcounty.gov/uploads/sbchp/SBC-2024-Homeless-Count- Report.pdf>

1. Briefly describe your city's current sheltering/supportive housing capacity (e.g., emergency shelter, interim/transitional housing, respite/recuperative care, crisis stabilization, and permanent supportive housing beds). Please specify whether they are reserved for specific populations such as youth, veterans, victims of domestic violence, etc.

2. Briefly describe your city's current affordable housing capacity. Please specify whether they are reserved for specific income brackets (e.g., 30% AMI or below, 50% AMI or below, etc.)



and populations such as youth, veterans, victims of domestic violence, etc.

3. Briefly describe your city's current response to homelessness and affordable housing. If there is a co-applicant, describe that organization's approach as well. If your jurisdiction has a homeless plan or strategy, please attach it or provide a link.

Proposed Project

Project Name:

Property Address:

APN:

Number of housing units:

Number of shelter beds:

Residential unit mix (if applicable) including number of units of each bedroom type and unit square footage by bedroom type:

Common area amenities:

Square footage of proposed facility:

Square footage of proposed site:

Number of parking spaces:

Funding request amount:

Total project cost:

Cost Per Unit (Including all project expenses: cost of land, unless land is donated, construction, design, fees, etc...):

1. Scope of Work: Describe the proposed project, how funds will be used, and the



number of housing units/beds involved. Please attach any existing project renderings, proposals, and/or other documents that may be relevant in describing the project.

2. Innovation/Efforts to Reduce Cost Per Door: Please describe how the project uses new approaches to deliver housing units at a reduced cost and/or uses new approaches to deliver housing with greater speed and/or efficiency.

3. Explain how the project will expand housing capacity and strengthen local homeless response efforts.

Project Readiness

1. Please describe the project timeline, including when units/beds will be available for occupancy. Attach any documentation that may be relevant to describe the timeline in detail.

2. Please describe the status of any state or federal environmental (if applicable) review procedures for the proposed project. What is the anticipated timeline? (Note: Environmental review should address California Environmental Quality Act (CEQA) for most projects and will address National Environmental Policy Act (NEPA) for projects utilizing other sources of federal funding)

3. Please describe the status of the entitlement process. What is the anticipated timeline for any public approvals? If Public Approvals have been secured, when will construction drawings be ready and provide an anticipated milestone date for the issuance of Building permits.



4. Describe the type of site control that your organization has for the proposed property. If this request includes funds for acquisition, summarize the acquisition terms, price, contingencies, and conditions.

Budget, Financing & Proforma

1. Project Budget: Please provide a proposed budget for the project and describe in detail how the Housing Development Grant funds will be utilized. For each item in your project budget to be attached to this application, please explain how the budgeted amount was derived, whether costs are estimated or bid (ie by a General Contractor or Design Build firm), and any other relevant information that justifies the budgeted expense (e.g., cost per square foot, percentage of other costs, estimated number of work hours).
2. Project Financing: What is the status of all proposed project funding sources as of the date of this application? What is the timing and likelihood for obtaining commitments of anticipated funding sources? In the event that any funding sources are not obtained or are committed at lower levels than requested, what alternatives will be pursued?
3. Prevailing Wage: Please describe how the project will comply with prevailing wage requirements. If exempt, please provide the justification for exemption.
4. Pro Forma:

For Shelter Projects: Include a 15-Year project pro forma that clearly identifies all capital funding sources and includes at least a 15-year operational budget. Include minimum requirements per the guidelines below. A shelter pro forma template is provided with this application.



Note: By definition, residents **cannot** be charged rent in Transitional Housing.

_____ **For Rental Housing Projects:** A minimum 20-year pro forma is required. Projects pursuing tax credit projects must provide a 55-year pro forma. The applicant may still later be required to provide a pro forma extending beyond 20 years, if necessary to show project feasibility.

Pro Forma - Minimum Requirements: Shelter or Rental Housing

- Sources and Uses of funding
- The amount of any financing gap
- Breakdown of acquisition, construction, and indirect costs
- Net operating income – breakdown of income and operating expenses
- Financial parameters
 - Low-income housing tax credits (if applicable)
 - Equity contribution
 - Proposed governmental subsidies
 - Terms under which any deferred developer fee will be repaid
- Project cash flow
- Provide the following financing cost information:
 - Predevelopment/bridge loans (loan amounts, interest rates, length of term and projected average outstanding balance of loan funds during predevelopment/construction);
 - Construction loans (loan amounts, interest rates, length of term and projected average outstanding balance of loan funds during predevelopment/construction);
 - Loan fees;
 - Amount of cash equity contribution and the return requirement on these funds during the construction period;
 - Capitalized reserves; and

For Rental Housing Projects Only

Please provide a detailed project pro forma that includes the following information:

Land Costs

The property assemblage costs should include the following if applicable: acquisition costs, relocation costs, demolition costs, and closing costs. If available, provide an appraisal and purchase and sale agreement.

Construction Costs



- Identify whether the direct cost estimate reflects a premium for prevailing wages.
- Provide a direct construction cost breakdown (include a contractor's detailed estimate, if available) that disaggregates the following information:
 - Off-site improvements;
 - On-site improvements;
 - Parking costs;
 - Residential shell costs;
 - Community room/office space costs;
 - Commercial space shell costs;
 - Commercial space tenant improvement costs;
 - General conditions;
 - Contractor fees; and
 - Direct cost contingency allowance.
- Provide a breakdown of the project's indirect costs such as:
 - Architecture, engineering and consulting fees;
 - Public permits and fees costs including all city fees, school district fees, impact fees and any other fees that would be assessed on the projects;
 - Taxes, legal and accounting costs;
 - Insurance costs;
 - Marketing costs;
 - Developer Fee; and
 - Indirect cost contingency allowance.
- Provide the following financing cost information:
 - Predevelopment/bridge loans (loan amounts, interest rates, length of term and projected average outstanding balance of loan funds during predevelopment/construction);
 - Construction loans (loan amounts, interest rates, length of term and projected average outstanding balance of loan funds during predevelopment/construction);
 - Loan fees;
 - Amount of cash equity contribution and the return requirement on these funds during the construction period;
 - Capitalized reserves; and
 - Tax Credit Allocation Committee (TCAC) costs (if applicable).

Net Operating Income

- Residential Rents
- Estimated market rents by unit type (provide a market study if available)
- Affordable rents by unit type, affordability restriction and net of applicable utility allowances
- Number of managers' units – are these rent paying units
- Projected retail rents
- Parking:
 - Will parking charges be applied to the parking required for the rental units?



- Will parking charges be applied to the parking required to serve the retail uses?
- Operating Expenses:
 - Residential:
 - General operating expenses;
 - Property taxes; and
 - Annual capital and operating reserve contributions.
 - Unreimbursed retail expenses
 - Parking expenses

Financial Parameters

- Low income housing tax credits (if applicable):
 - Provide eligible basis, gross and net tax credit proceeds calculations.
 - Provide the self-scoring sheet for the 9% TCAC or 4% TCAC/CDLAC applications. If applicable, explain why the project does not receive the maximum points.
 - Provide the tiebreaker calculation for 9% TCAC or 4% TCAC/CDLAC applications
- Equity contribution:
 - Quantify the equity contribution to be provided with cash during construction, and the amount of cash equity that will be left in the project on a permanent basis.
 - Identify the funding source that will be used to refund any construction period equity that is to be returned to the developer upon the completion of construction.
 - Define the preferred return requirements applied to the cash equity funds that will remain in the project over time.
- Describe the other proposed governmental subsidies (AHP, MHP, City Funds, etc.). Provide an estimate of how the project scores in each funding competition.
- Describe the terms under which any deferred developer fee will be repaid.

Questions for shelter development/expansion projects

1. Name of shelter:
2. Shelter website:
3. Shelter email:
4. Type of shelter (select one)

Emergency (1-29 nights)	Short-term/Interim (1-6 months)	Long-Term (7 months or longer)
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5. Does the proposed project add beds to an existing facility, or preserve existing shelter beds? How many shelter beds will be added as a result of the proposed project?
6. Does the agency have operational funding in place to support the client programs that will be served by the project?
7. Does your agency have capital funds available or the capability to raise the necessary funding to ensure the completion of the project?

Attachments

1. Project renderings or existing proposal (if applicable)
2. Project Timeline
3. Proposed Development Budget
4. Operational Plan
5. Pro Forma
6. Any existing Council approvals/commitments (if applicable)
7. Preliminary Title Report (prepared within 6 months of submission)
8. Appraisal (prepared within 6 months of submission)
9. Copy of IRS Letter of Determination verifying 501(c)(3) status (if applicable)
10. Narrative that describes the agency's mission, history, objective, programs, and services
11. Current financial statement, current year budget, and management letter from most recent audit, if available

Applicant Signature:

Date: _____

Company: _____

By: _____
Name & Title