

## **Cities of Lakeport and Clearlake, California CDBG-DR MHP Request for Proposals**

Community Development Block Grant – Disaster Recovery (CDBG-DR)

The City of Lakeport, in conjunction with the City of Clearlake, is submitting this notice to make housing developers aware of potential funding available through the United States Department of Housing and Urban Development (HUD), and allocated to the State of California Department of Housing and Community Development (HCD). HCD is the lead and Responsible Entity for administering the CDBG-DR funds allocated to the State of California. CDBG-DR supports the State of California's unmet recovery needs related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR-4344 in October 2017, DR-4353 in December 2017, DR-4382 in July-September 2018 and DR-4407 in November 2018. In response to fires in Lake County in 2017 and 2018, HCD has allocated a combined total of \$11,185,468 in DR-MHP funding to potentially be distributed through this RFP.

Housing is a priority for this funding, which is consistent with the results of a need assessment conducted by HCD. Based upon this identified need, HCD developed the Disaster Recovery Multifamily Housing Program (DR-MHP). DR-MHP Projects are funded to assist with meeting the unmet rental housing need, including the needs of individuals displaced from rental homes and individuals who became homeless as a result of the disasters. The DR-MHP will allow Subrecipients such as the Cities of Lakeport and Clearlake to identify, select, and submit potential Projects to HCD for eligibility assessment and review, approval, and funding. The Cities of Lakeport and Clearlake are jointly releasing the RFP consistent with the goal of providing for their local housing needs relative to the impact of these disasters. If successfully funded, the Cities of Lakeport and Clearlake will work with qualified Developers identified through this RFP to construct the Projects.

As required by HCD, the Cities of Lakeport and Clearlake have published this Notice of Funding Availability (NOFA) for the City's CDBG-DR MHP funds. The Request for Proposals, Application, Pro forma template, and Development team table are available on the Cities respective websites in a PDF format ([www.cityoflakeport.com](http://www.cityoflakeport.com) and [www.clearlake.ca.us](http://www.clearlake.ca.us)). Those interested in completing a CDBG-DR application should send an email to [jbyers@cityoflakeport.com](mailto:jbyers@cityoflakeport.com) to request the Pro forma in Excel format and the Application and Developer team table as Fillable Word documents.

Proposals must be mailed and are due no later than November 5, 2021 no later than 5:00 pm. Completed Proposals for developments should be mailed to:

### **City of Lakeport**

Kevin Ingram, City Manager  
225 Park Street  
Lakeport, CA 95453

### **City of Clearlake**

Alan Flora, City Manager  
14050 Lakeshore Drive  
Clearlake, CA 95422

Proposals will be evaluated as described in the RFP, and funding recommendations will be made accordingly. It is anticipated the respective City Councils will consider the funding recommendations and approve awards at a City Council meeting in January, 2022.

Please submit any CDBG-DR MHP questions to: Jenni Byers, [jbyers@cityoflakeport.com](mailto:jbyers@cityoflakeport.com) by no later than 5:00 pm on October 8, 2021.

**Cities of Lakeport and Clearlake, California**  
**Community Development Block Grant – Disaster Recovery (CDBG-DR)**  
**Request for Proposals for Multifamily Housing Development**

Description of Event	Date or Amount
Informational Developer Meeting – To be held via Zoom, with an in-person option at the City Council Chambers for both Lakeport and Clearlake.	September 21, 2021 at 2:00 pm
Final date to submit questions	October 8, 2021
Request for Proposal (RFP) responses due	November 5, 2021
Conditional Reservation Letter (estimated date)	January 14, 2021
Commitment of funds	When all other funding secured & contingencies met
Construction start deadline	Within 90 days of executing Commitment Agreement
Construction completion deadline	For Clearlake Projects: June 30, 2024 For Lakeport Projects: October 31, 2025
Project lease-up/closeout deadline	For Clearlake Projects: November 30, 2024 For Lakeport Projects: March 30, 2026
Minimum project award of CDBG-DR funds	\$800,000
Minimum Number of CDBG-DR funded units per project	CDBG-DR requires the project to have at least 8 total units, with 4 units or 51% of the total units (whichever is greater) affordable. CDBG-DR will only fund the affordable units up to 40% TDC not to exceed the HOME per unit subsidy limit.
Minimum total project costs	\$2,000,000
Maximum CDBG-DR funding by developer	40% of total development costs up to 25% of the total of available CDBG-DR funds. The cap regarding 25% of total available funds may be waived on a case-by-case basis based upon project need and available funds, but the 40% of total development costs, will not be waived.

## Summary

For the use of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds appropriated under Public Laws 115-123, 115-254, and 116-20, Catalog of Federal Domestic Assistance Number 14.228. The California Department of Housing and Community Development (HCD) is the lead and Responsible Entity for administering the CDBG-DR funds

allocated to the State of California. CDBG-DR supports the State of California's unmet recovery needs related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR-4344 in October 2017, DR-4353 in December 2017, DR-4382 in July-September 2018 and DR-4407 in November 2018.

As published in the Federal Register [2018-02693.pdf \(govinfo.gov\)](#) and [2018-17365.pdf \(govinfo.gov\)](#), Housing is a priority for this funding, which is consistent with the results of a need assessment conducted by HCD. Based upon this identified need, HCD developed the Disaster Recovery Multifamily Housing Program (DR-MHP). DR-MHP Projects are funded to assist with meeting the unmet rental housing need, including the needs of individuals displaced from rental homes and individuals who became homeless as a result of the disasters. Multifamily Projects include apartment complexes and mixed-use developments. The DR-MHP will allow Subrecipients such as the Cities of Clearlake and Lakeport to identify, select, and submit potential Projects to HCD for eligibility assessment and review, approval, and funding. The Cities of Lakeport and Clearlake are jointly releasing this RFP consistent with the goal of providing for their local housing needs relative to the impact of the above identified disasters. If successfully funded, the Cities of Clearlake and Lakeport will work with qualified Developer(s) identified through this RFP to construct the Projects.

The City of Clearlake had an allocation of \$1,157,983 in 2017 CDBG-DR funds for which projects to be located within the City of Clearlake will be eligible. The City of Lakeport had an allocation of \$2,433,284 in 2018 CDBG-DR funds for which projects to be located within the City of Lakeport will be eligible. In addition, Projects to be located within one of these two Cities are eligible for funding through an allocation originally made to Lake County of \$7,594,201 in 2018 CDBG-DR funds. The combined total allocation of funds is \$11,185,468 in DR-MHP funding to potentially be distributed through this request for proposals.

### Eligible Funding Sources Through This RFP Based Upon Proposed Project Location

Project Location	City of Clearlake	City of Lakeport
Clearlake allocation of \$1,157,983 in 2017 CDBG-DR Funds	X	
Lakeport allocation of \$2,433,284 in 2018 CDBG-DR funds		X
Lake County allocation of \$7,594,201 in 2018 CDBG-DR funds	X	X

These two Cities anticipate utilizing these funds for the construction of rental properties through this RFP. Funds will be utilized to create affordable rental housing opportunities, improve property values, preserve housing, stabilize neighborhoods, and stimulate reinvestment. Each project funded through this program must result in a net increase in available and affordable homes. Approximately eleven million, one hundred eighty-five thousand, four hundred and sixty-eight dollars (\$11,185,468) are anticipated to be allocated

to projects funded through this RFP, broken down by community, as described in the chart above, and minus project implementation costs incurred by the Cities. All projects funded through this RFP will be subject to the HCD DR-MHP Policies and Procedures, as found on the State of California HCD website at [HCD DR-MHP Policies and Procedures for DR 18](#). Additionally, projects in Clearlake receiving 2017 CDBG-DR funds will be subject to the HCD Policies and Procedures found at [HCD DR-MHP Policies and Procedures for DR 17](#). Projects funded by each community through the CDBG-DR program must be in areas that qualify through the State as most impacted and distressed (MID). The Cities of Clearlake and Lakeport qualify as MID areas.

City of Lakeport projects will be reviewed by the City of Lakeport, and will only compete with other projects proposed within the City of Lakeport. City of Clearlake projects will be reviewed by the City of Clearlake, and will only compete with other projects proposed within the City of Clearlake.

In reviewing housing needs in Clearlake and surrounding Lake County, the wildfires upon which these funds are based certainly took a toll on housing. The Sulphur Fire started on October 8, 2017. The fire quickly spread into the City of Clearlake, burned for 19 days, and was fully contained on October 27, 2017. The Sulphur Fire's impact on Lake County and the City of Clearlake was significant. 2,200 acres were burned, hundreds of people were evacuated, dozens of businesses were forced to close, and 140 homes were destroyed.

In 2018, the Mendocino Complex Fire was a large complex of wildfires that burned in northern California for more than three months. It consisted of two wildfires, the River Fire and Ranch Fire, which burned in Mendocino, Lake, Colusa, and Glenn Counties, with the Ranch Fire being California's single-largest recorded wildfire at the time. First reported on July 27, 2018, both fires burned a combined total of 459,123 acres before they were collectively 100% contained on September 18. The Ranch Fire alone burned 410,203 acres, making it the largest wildfire in modern California history at the time. The fires collectively destroyed 280 structures while damaging 37 others; causing at least \$257 million (2018 USD) in damages, including \$56 million in insured property damage and \$201 million (2018 USD) in fire suppression costs. The city of Lakeport was one of the communities evacuated.

### City of Clearlake Demographics

In reviewing the demographics of Clearlake, the population has experienced modest growth since the 1990's, with insignificant change since 2007. The population is currently 15,091. The City has an overall lower than State average percentage of the population that are minorities. The Native American population is higher than the State average, at 5.81%. The Hispanic/Latino population is at 28.8%, which is still lower than the State average of 39.4%. The population over the age of 64 is at 17.6%, compared with the State average of 14.8%, so it is a little high. However, the population under the age of 18 is 26.7%, which is also higher than the State average of 22.5%. There seems to be a need for both senior housing and housing for families.

In assessing the population in need of housing in the City of Clearlake, the group that stood out the most, and is much larger than the average for the State of California is the percentage of persons in poverty, which is at 33.0%, compared to 11.8% for the State. Median household income in 2019 was only \$31,617, compared to \$80,440 Statewide. For this reason, decent, affordable low-income housing is a priority of this RFP. There are also 1,112 veterans living in Clearlake, the majority of them over the age of 65. This is 10% of the adult population, compared to 7% of the adult population that are veterans in the United States. The incidence of disability is high among veterans in Clearlake, with a 50.18% disability rate among this group. The poverty rate among this group was at 17.37%. Accessible housing, and housing for veterans is also an identified need. There is a VA clinic nearby.

Median home values were \$128,531 in 2019, compared with \$568,500 for the State. Median gross rent was \$873. 38.5% of housing was built prior to 1969, and only 13.3% of housing has been built in the past 20 years. A need has been identified for both higher quality affordable housing and market rate housing. A need has been expressed for student housing for the local Woodland Community College, and even for housing for professionals, such as medical doctors needed at the hospital. Given the low incomes in the area, there has also been identified a need of economic development activity.

### City of Lakeport Demographics

To review of the demographics for the City of Lakeport, the population currently hovers near 5,000, and has seen modest growth since 1990. It covers an area of about 3.1 square miles. The City has an overall percentage of the population that are minorities than the State average. Lakeport has a relatively lower, but still significant Hispanic population, at 16.5%, compared to 39.0% for the State of California. The Asian population is at 6.7% (compared to 16.7% for the State of California), of these 4.5% are Filipino. Only 0.5% of the population are black, compared to 7.0% for the State of California. The one minority that makes up a more significant percentage of the population than the average for the State of California is American Indian at 6.1%, compared to 1.9% for the State of California.

Of significance is the high percentage of older persons residing in the City. 49.7% of households have one or more people 60 years and over. 25.6% of the Lakeport's population is 65 years and over, compared to 14.0% for the State of California. Median age is 51.3%, compared to 36.5% for the State of California. In addition, 45% of households in Lakeport are people living alone.

Median household income in Lakeport is \$20,484. 10.6% of households earn less than \$10,000. 10.8% of all people in the City of Lakeport are below the poverty level. 17.8% of all people over the age of 65 are below the poverty level. A high percentage of units in the City of Lakeport are owner occupied (64.8% compared to 54.8% for the State of California). 16.7% of the units are vacant, while the rental vacancy rate is 0.0%. These statistics underscore the huge need for additional good quality rental housing in the City. No new units appear to

have been built between 2014 and 2019, and 63% of units were built prior to 1980. 7.2% of housing is mobile homes or other types of units, which is nearly double the State average.

The median value of owner-occupied housing units is \$256,300 (\$505,000 for the State of California), and 190 units, or 13.8% are valued at less than \$50,000 (2.8% for the State of California). Median gross rents are \$800, which is quite low compared to the State average of \$1,503. In spite of these low rents, 27.3% of renters are paying more than 30% of their income on housing. As described above, there is a need in Lakeport for senior housing, as well as good quality rental housing for all demographics, including both market rate and affordable units.

### Eligible Applicants and Project Types

Eligible applicants are non-profit and for-profit developers eligible to do business with the Federal Government, the State of California, and the Cities of Lakeport and Clearlake. No debarred organizations or persons will be considered. Allocation of these funds will be according to the process and criteria specified in this RFP. The Cities expects to receive more proposals than can be funded with this DR-MHP allocation, and reserves the right to reject any and all submissions. Also, applications may not be funded for the full amount requested.

The Cities encourages applicant developers (Developer) to seek additional funds from other state, federal and private sources, and a minimum of 60% of all project funding must come from other sources. The more stringent of the DR-MHP requirements or the requirements of any other funding sources will need to be met. If the project will include hard debt that must be repaid, such as a private mortgage from a bank, the Developer must clearly demonstrate through the pro forma, that the repayment of this debt will not be a burden on the long-term viability of the project. All Sections of the RFP should be properly addressed in any response.

Three types of projects are allowable through this RFP:

- Projects with at least 51% of units affordable to households at or below 80% of Area Median Income (AMI), and at least 10% of total units below 30% AMI to be spread proportionally across unit sizes.
- Projects for Elderly Persons\*, with at least 51% of total units affordable to persons at or below 80% AMI and at least 5% of total units below 30% AMI to be spread proportionally across unit sizes.
- Projects providing 15% of residential units for people with at least one Disability, and at least 3% of total units below 30% AMI to be spread proportionally across unit sizes and disability configurations

\*Housing for elderly persons must make all units with some accommodations for persons with disabilities, such as veterans.



In addition, all projects must meet the requirements of one of the project types as defined in Article 2, Section 7302 (e) (1- 5) of the 2019 state Multifamily Housing Program Guidelines. All projects must include a minimum of eight (8) total units with at least four (4) affordable housing units partially funded with CDBG-DR dollars through this RFP, and at least 51% of all units must be affordable and occupied by households at or below 80% of the area median income (see 24 CFR 570.483(b)(3)). Scattered site projects are eligible for this funding. However, the developer must be able to provide a reasonable plan to adequately supervise and maintain the properties. Units must be newly constructed. CDBG-DR funded projects are eligible to be built anywhere within the Cities of Lakeport or Clearlake.

The Cities are required to submit regular reports to the State of California Department of Housing and Community Development (HCD) that are designed to track each community's performance under CDBG-DR and to assure compliance with the federal CDBG-DR regulations. The Cities will set appropriate milestones/reporting requirements for Developers responding to this RFP.

The Cities' official RFP will post as of September 7, 2021 on the City of Clearlake's ([www.clearlake.ca.us](http://www.clearlake.ca.us)) web site, as well as the City of Lakeport's ([www.cityoflakeport.com](http://www.cityoflakeport.com)) web site and be published in the Lake County Record Bee newspaper on September 10 and 15, 2021. The Cities will hold a joint informational meeting regarding this RFP in the Council Chambers for both Cities on September 21, 2021 at 2:00 pm. The meeting may be attended in-person or virtually. The virtual meeting will be through Zoom:

<https://us06web.zoom.us/j/84879736538?pwd=V2M5cEZvcTRITjVjUU1vY0dyQmdCdz09>

Passcode: 600435

It will be recorded for those who wish to watch it later. All interested Developers may attend this meeting, and should bring any questions that they need answered. Written questions can also be sent to representatives for the City in which the proposed development will occur.

**Jenni Byers, Community Development**

The City of Lakeport

[jbyers@cityoflakeport.com](mailto:jbyers@cityoflakeport.com)

**Alan Flora, City Manager**

The City of Clearlake

[aflora@clearlake.ca.us](mailto:aflora@clearlake.ca.us)

Questions will be accepted until October 8, 2021. The Cities will respond with written answers that will be sent out to all interested Developers. No questions will be accepted or answered after October 8, 2021, and all questions and answers or technical assistance outside of these parameters during the open RFP will be prohibited.

## Financing Requirements

CDBG-DR funding is to be offered in the form of Project Financing Loans to successful respondents of this RFP, and may be used only for eligible construction hard costs, soft costs, and developer fee. The State requires that owners are involved in the project application. These funds may be assumable and retained for permanent financing as long as they are used for affordable housing and meet other funding requirements. A mortgage agreement shall be signed at the time of project closing, prior to construction, and a lien shall remain on the property for the full term of the affordability period.

Loans will have the following terms, as outlined below:

- Loans will have a zero percent (0%) interest rate.
- The total term of the loan will be a minimum of twenty (20) years, and may be longer, as determined by the required affordability period, the funding mix for the project, and the City.
- Collateral will be a subordinate (2<sup>nd</sup> or shared 2<sup>nd</sup>) mortgage position.
- Payments will not be required as long as projects stay in compliance.
- If the project has more than one general partner/managing member (or equivalent), the City reserves the right to determine which will be the loan recipient.
- The Loan shall be secured by a commitment agreement, regulatory agreement, mortgage, and promissory note.
- The balance of the loan shall be repaid in full upon any refinancing, sale, or transfer of the property during the term of the loan, unless the City and State agree to allow the loan obligations to transfer to a new owner.
- Full repayment of the loan will also be required if the project goes into default of the Commitment or Regulatory Agreements.
- At the end of the loan term, an extension may be sought by the project owner. The City will review the request and the project at that time, and may place additional conditions upon the project to secure the extension.

NOTE: The loan term and affordability period does not begin until the project is complete and eligible tenants occupy the assisted units. The affordability period and regulatory agreement will remain in effect through any sale or transfer, or full repayment of loan.

## Eligible Activities/Uses of Funds

CDBG-DR funds will be used to support the following activities related to the purchase, improvement and rental of property as affordable housing to households at or below eighty percent (80%) of the area median income (AMI) adjusted by household size. No activity should take place until the execution of the Commitment Agreement and the completion of the environmental review:



- **New construction** – New construction of affordable housing units is eligible under this RFP.
- **Reimbursement of soft costs** - which are reasonable and necessary. Please note that funding for soft costs is only eligible in collaboration with an eligible hard cost, and must be approved by the City. Examples of eligible soft costs could include the following project related costs -
  - Financing fees
  - Credit reports
  - Title binders and insurance
  - Surety fees
  - Recordation fees and transaction taxes
  - Legal and accounting fees, including cost certification
  - Environmental reviews
  - Appraisals
  - Architectural and engineering fees
  - Acquisition of land/buildings on a case by case basis.
- **Developer fees** – Developer fees, along with any other fees earned by the Developer or affiliated entities, must be approved by the City, and will not exceed fifteen percent (15%) of development costs. Costs included in the Developer fee must be distinguished from other costs and billed separately to the City. A maximum of twenty percent (20%) of the Developer fee may be deferred beyond closeout.
- **Excess funds** – In order to avoid undue enrichment, as required by program rules, excess CDBG-DR funds shall be retained by the City after all approved costs and approved Developer fees are paid, unless such proceeds are approved for use in project betterments or the production of additional units under the Commitment Agreement.

CDBG-DR funds will be provided as reimbursement for actual costs only. HCD and the Cities of Lakeport and Clearlake reserve the right to approve or deny the applicability and eligibility of costs on a per-application basis. HCD and the Cities of Lakeport and Clearlake require that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place.

### Ineligible activities

The following activities are not eligible for reimbursement with CDBG-DR funds. These costs are eligible to be included in the total project budget.

- Pre-application costs and application development costs

- Advances of any type, including construction
- Facility operating or maintenance expenses
- Rehabilitation
- Demolition
- General Planning
- Relocation Costs (unless prior approval of City)
- Refinancing of existing debt on property
- Active HOME or CDBG projects still in affordability period
- The payment of delinquent property taxes or utilities
- Off-site development costs
- Entertainment costs
- Purchase of Equipment

### Project Requirements

Projects must include a minimum of eight (8) housing units. A minimum 51% of all units in the project must meet CDBG-DR income eligibility requirements and High HOME rents. Wildland-Urban Interface (WUI), CalGREEN and Broadband infrastructure requirements apply to these projects, as described in the next section. Developers should not submit applications for larger projects than they possess the capacity to complete within the required timeframe.

The minimum number of bedrooms and bathrooms, and minimum square footage of completed housing units for rent is as follows:

- Efficiencies – 500 square feet
- 1 bedroom – 600 square feet
- 2 bedrooms - 800 square feet
- 3 or more bedrooms – 1,000 square feet

Each housing unit for elderly persons and/or persons with disabilities should be limited to one floor. In addition to the above, all units should have one (1) full bathroom with a shower or tub. Large family housing units must be at least 3-bedrooms and 1 ½ baths. Housing units for large families may be on more than one floor.

Basements, garages, crawl spaces, attics or unfinished space may not be included in the square footage calculation. For all housing units, at least one bathroom on the main floor shall have a clear floor space of thirty inches (30") by forty-eight inches (48"). The project should meet all current HCD guidelines for visitability and universal design. Fully accessible

or adaptable units are encouraged, will be awarded extra points for the elderly person housing, and are required for the housing for those with disabilities. The project shall also meet all equal opportunity, fair housing and section 504 requirements for construction, and throughout the affordability period:

- [Federal laws promoting equal housing opportunity for individuals with disabilities](#)

To meet section 504 requirements, in new construction multifamily housing projects, a minimum of 5 percent of the total dwelling units (or at least one unit, whichever is greater) must be made accessible for persons with mobility impairments. An additional 2 percent of the total units (or at least one unit, whichever is greater) must be made accessible for persons with hearing or vision impairments. Developers may gain a scoring advantage for significant and meaningful accessibility requirements beyond what is required. A scoring advantage may also be gained for projects that exhibit these characteristics: Quality design; pleasing aesthetics; access to natural light and fresh air; usability of space; durability of fixtures, building components, hardware, and finishes; the inclusion of meaningful amenities; the adequacy of storage space; and the efficiency of traffic patterns.

**Bedrooms:** The master bedroom must be at least one hundred and thirty square feet (130 SF) (not including closets), and if there are other bedrooms, they must be at least one hundred square feet (100 SF) (not including closet space). The main area of each bedroom should not be less than eight feet (8') in any direction (ten feet [10'] for the master bedroom). In addition, the master bedroom must have at least eighteen square feet (18 SF) of closet space, and if there are other bedrooms, they should each have at least twelve square feet (12 SF) of closet space. Each bedroom must be completely separated from other living spaces by walls and doors.

**Kitchen:** Each unit must have a kitchen with adequate facilities for food and utensil storage, meal preparation, and clean up, including a double sink at least seven inches (7") deep, a stovetop and oven, a refrigerator, a minimum of sixteen square feet (16 SF) of counter space, forty square feet (40 SF) of cabinet shelving, and ten square feet (10 SF) of drawer space. Developers may gain a scoring advantage for the usability of the space; the energy efficiency of the appliances; and the overall quality, durability and usefulness of the appliances, cabinets, surfaces, and amenities.

**Laundry facilities:** All projects must have adequate provision of affordable facilities for the washing and drying of clothes. Developers may gain a scoring advantage for in-unit laundry facilities.

**Parking:** There should be a minimum of one (1) covered parking space identified for each housing unit in a development for elderly or disabled persons of adequate size to meet accessibility needs, and one covered, plus one-half uncovered (1 ½) parking spaces for all other project types, plus appropriate and adequate parking for all commercial uses. Parking needs will be reviewed on a project-by-project basis dependent on the nature and location of the development. For example, concrete curbs, landscaping, adequate control of storm drainage, and requirements associated with each City's design guidelines and zoning

requirements associated with the specific site selected will be considered. Developers may gain a scoring advantage for the quality and sustainability of the surfaces and design, good traffic flow patterns, and aesthetics. For projects within the City of Lakeport, the applicant shall provide for one landscaped island (with a minimum interior dimension of 6' by 6') per six stalls to include at least one 15-gallon size tree, plus a minimum of 10% of the parking area shall be landscaped.

**Exterior:** All units shall include adequate design features that create architectural articulation through building walls varying in depth through offsets, recesses, balconies and projections, as well as a variety in height and roof forms. Developers may gain a scoring advantage for the quality, durability, and aesthetics of the exterior design, materials and finishes and for the usability, quality, aesthetics, and sustainability of the exterior spaces, flatwork and landscaping. There should be consideration in the overall project design for the need of appropriate usable outdoor space to meet the needs of the residents. Common areas may consist of landscaped areas, patios, swimming pools, barbeque areas, playgrounds, trees, bushes, ground cover and turf utilizing water-efficient landscaping.

### CDBG-DR Requirements and Developer Obligations

CDBG-DR funds are available for project-related hard costs and soft costs of the Developer. All costs must be related to the production of eligible housing units. The Developer must demonstrate project cost reasonableness, which will be reviewed and must be approved by the City. In addition, the maximum amount of CDBG-DR funds to be allocated to a given unit will be based upon the number of bedrooms, as outlined in the HUD requirements for maximum HOME subsidy per unit. These limits are as follow:

Number of Bedrooms	Maximum CDBG-DR subsidy per unit
0-bedroom	\$153,314
1-bedroom	\$175,752
2-bedroom	\$213,718
3-bedroom	\$276,482
4+ bedroom	\$303,490

This will, in turn drive the total number of CDBG-DR units in a project.

- **Relocation** - The Developer **must** adhere to federal requirements related to acquisition, displacement and relocation found at 49 CFR Part 24 (the Uniform Relocation Assistance and Real Property Acquisition Act). CDBG-DR funds offered through this RFP will not be used for this purpose. Occupied properties triggering displacement are ineligible for this RFP. All properties acquired through this RFP should be vacant prior to initiation of the project and prior to the City's funding commitment.

- **Environmental Review** – An environmental review will be required for any project selected through this RFP in accordance with 24 CFR, Part 58. The proposal application will include a Phase I Environmental Site Assessment valid in accordance with the most current ASTM Standard. The Phase I ESA report must be dated within 4 months of the application submission due date. The City reserves the right to reject any sites indicated to have environmental problems or hazards. The City will contact the Developer if additional information or effort is required. The Developer may not proceed with any activity until it has been issued an Authority to Use Grant Funds and Notice to Proceed. Developers must agree that the provision of any funds to their project(s) is conditioned on the City's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. Developers may be required to contract for environmental consulting services to provide the necessary information, which shall be an eligible project soft cost.

No work may start on a proposed Project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds. Subsequent to submission of an application by a Developer to a Subrecipient for the use of DR-MHP funds, there can be no choice-limiting actions on the part of the Developer/owner until environmental clearance is received in the form of an Authority to Use Grant Funds (ATUGF) or environmental clearance letter issued by the Department. The concept of prohibiting "choice-limiting" actions is to prevent the Developer from investing in a Project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered "choice-limiting" actions. "Choice-limiting actions" are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition by the Developer/owner (or any subsidiary of the Developer), construction, demolition of buildings, or rehabilitation or reconstruction of buildings. Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the Project, reimbursement by the Developer/owner to HUD for the amount expended, or suspension of the disbursement of funds for the affected activity.

- **Federal Labor Provisions (HUD 4010)** - Federal Labor Standards Provisions apply to this project, including:
  - 29CFR-5.5: Minimum wages, frequency of payment, payroll records, and other requirements subject to the provisions of 29 CFR-5.5.
  - Davis-Bacon - Construction will be subject to Davis-Bacon and State of California wage and record-keeping requirements, the Copeland Act, and related acts.

- Contract Work Hours and Safety Standards Act requirements regarding overtime and related provisions.
- **Accessibility** - Projects will be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973.
- Section 3 of the HUD Act of 1968 - compliance requirements of Section 3 of the HUD Act of 1968 (12 U.S.C. 1701u) ("Section 3") are triggered when a Grantee receives in excess of \$200,000 of HUD funds for the construction, reconstruction, conversion or rehabilitation of housing, other public construction that includes buildings or improvements assisted with CDBG-DR funds. If Section 3 of the HUD Act of 1968 is triggered for the Grantee, then contractors/subcontractors whose contracts are paid in full or in part with CDBG- DR funds and exceed \$100,000 must also comply with Section 3 of the HUD Act of 1968.

The Subrecipient shall require the Developer to:

- 1) Prepare and utilize a Section 3 Plan for HCD.
  - 2) Designate a Section 3 Coordinator.
  - 3) Take affirmative steps to follow the Section 3 Plan and document those efforts.
  - 4) Include a Section 3 Clause and the Contractor Certification of Efforts to Fully Comply with Employment and Training Provision of Section 3 in any construction contract in excess of \$100,000.
- **Equal Opportunity** – This project will be subject to federal opportunity provisions and responsibilities, including:
    - Title VI of the Civil Rights Act of 1964: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.
    - Title VII of the Civil Rights Act of 1968 (The Fair Housing Act): This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.
    - Restoration Act of 1987: This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, Disability or age in a program or activity which does not directly benefit from such assistance.
    - Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 53091]: This Section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.



- The Fair Housing Amendment Act of 1988: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- The Age Discrimination Act of 1975: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic including: KRS 18A.140; KRS 344.040; 1 01 KAR 1 :350 Paragraph 11; 1 01 KAR 1 :375 Paragraph 2(3); 101 KAR 2:095 Paragraphs 6 and 7.
- Section 504 of the Rehabilitation Act of 1973: It is unlawful to discriminate based on Disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her Disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.
- The Americans with Disabilities Act of 1990 (ADA): This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a Disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
- Executive Order 11063: This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.
- Executive Order 11259: This executive order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.
- The Equal Employment Opportunity Act: This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court

- against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.
- The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.
  - The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002): This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
  - Executive Order 11246: This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

Proposals will include affirmative marketing plans, and shall also demonstrate that the proposed Projects will affirmatively further fair housing and adequate tenant market, which are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

- **Bonding/Insurance** - The contractor completing the construction work will be required to secure a Payment and Performance Bond and to carry liability insurance for this project. Builders Risk will be required during construction, and commercial property and liability insurance will be required during the affordability period.
- **Cost certification** – A third-party cost certification for this project will be required prior to final payment of funds.
- **Construction** – In all work under this RFP, Developers must adhere to all applicable federal, state and local laws, codes, zoning and other requirements relating to construction, housing safety, quality, and habitability. This includes California Building Standards Code under the California Code of Regulations, Title 24, CALGreen, principles of sustainability, National Floodplain Elevation Standards, local building codes, such as the Wildland-Urban Interface building codes (WUI codes) addressing wildfire risk, and the installation of broadband infrastructure. Construction standards in the Master Standard Agreement must meet or exceed all applicable requirements for housing or building construction.

- Green Building Sustainability, and Energy Efficiency - California Green Buildings Standards Code (CALGreen): As a mandatory standard, all Projects are required to follow CALGreen requirements for construction permits and approvals. The Cities of Lakeport and Clearlake shall ensure access to local verifications that demonstrate CALGreen compliance in the Project plans and in the constructed development at construction close out.

The CALGreen requirements and checklist are available on the State website.

All construction must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters.

- National Floodplain Elevation Standards: Subrecipients and Developers must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861 as well as Executive Order 11988 and 24 CFR Part 55. Additionally, Developers with Projects approved to build within a 100-year floodplain must obtain and maintain flood insurance in perpetuity, per part 24 CFR Part 58.6, as a condition of federal assistance.
- **Duplication of Benefits**: Community Development Block Grant disaster recovery (CDBG-DR) grants are one of multiple Federal sources which assist disaster recovery. These sources of Federal assistance often can be used for the same purposes by grantees and disaster survivors. For this reason, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207) (Stafford Act) and CDBG-DR appropriations acts require HUD and its grantees to coordinate with other Federal agencies that provide disaster assistance to prevent the duplication of benefits (DOB). HCD, in coordination with the Cities of Lakeport and Clearlake, will perform a check for Duplication of Benefit (DOB) prior to issuing an award and at pre-Project closeout to ensure that duplicative assistance is not provided for multifamily housing.
- **Eminent domain**: The use of eminent domain is prohibited with this funding.
- **Replacement Reserves**: Developers will be expected to execute a Replacement Reserve Agreement, and to establish and maintain a Replacement Reserve Fund. Developer will be responsible to deposit a minimum of seven hundred and fifty dollars (\$750) per unit per annum into the fund for capital improvements to the property. The City, at their sole discretion, may allow for a smaller amount of replacement reserves if justified by a developer provided, third party, Capital Needs Assessment (CNA).
- **Affordable Rent Restrictions**: Developers must propose rents for the CDBG-DR assisted units that can be shown to be realistic by comparison with other rents for comparable

dwelling units in the same neighborhood. Although those rents may be lower than the rents listed below, they cannot be MORE than the amounts listed below. All rents listed below must be adjusted for any utilities paid by the tenant (use the attached utility allowance model).

2021 Maximum rent standards (Subtract tenant paid utility allowance to determine maximum actual rents)							
Unit size, in number of bedrooms	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
HIGH HOME RENT (All CDBG-DR assisted units must be at or below this level)	\$612	\$656	\$787	\$908	\$1,013	\$1,118	\$1,223

NOTE: The rent standards above must be reduced if the tenant pays for utilities. This is because the calculation of these rent standards includes all utilities except telephone. Yet, in practice many utilities (water, heat, air conditioning, cooking gas, etc.) are not included in rents. Utility allowances provide a mechanism for adjusting the maximum allowable HOME rents when the tenant pays some or all utilities.

Developers must use the utility allowance model developed by HUD to calculate tenant paid utilities, and include the completed model in their application. The model, along with instructions and other related data and information is found at the following HUD web page:

<https://www.huduser.gov/portal/resources/utilallowance.html>

These utility calculations should then be used to adjust the rents in the pro forma.

- **Tenant Requirements:** The following requirements pertain to the lease of the housing units to eligible tenants:
  - Occupancy by Low or Moderate Income Households – All units assisted with CDBG-DR funds and at least 51% of all units in the project must serve households with incomes at or below eighty percent (80%) of the area median income (AMI), adjusted by household size, as defined below. Income must be calculated using an allowable methodology as outlined in the Technical Guide for Determining Income and Allowances for the HOME Program:

<https://www.hudexchange.info/resource/786/technical-guide-for-determining-income-and-allowances-for-the-home-program/>

Current Income Calculations								
Household Size	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
80% AMI	\$39,050	\$44,600	\$50,200	\$55,750	\$60,250	\$64,700	\$69,150	\$73,600
50% AMI	\$24,400	\$27,900	\$31,400	\$34,850	\$37,650	\$40,450	\$43,250	\$46,050
30% AMI	\$14,650	\$17,420	\$21,960	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660

- **Additional HCD Income restrictions:** In addition, HCD requires that Projects meet one of the following criteria within the income-restricted units:

Projects providing housing for Extremely Low Income (ELI) individuals or families, accommodating “Deep Affordability” with at least 10% of total units below 30% AMI to be spread proportionally across unit sizes.

Projects which are providing residential units for low-income Elderly Persons, accommodating “Deep Affordability” with at least 5% of total units below 30% AMI to be spread proportionally across unit sizes. (E.g., in a 20-unit project, a minimum of 6 units must be affordable to meet the 30% of units affordable units eligibility standard, and one such unit shall be targeted below 30% AMI).

Projects providing 15% of residential units for people with at least one Disability, and accommodating “Deep Affordability” with at least 3% of total units below 30% AMI to be spread proportionally across unit sizes and disability configurations (E.g., in a 50-unit project, a minimum of 15 units are affordable, including at least 2 units targeted below 30% AMI). Disabled people are among the groups considered as being most vulnerable and at risk of suffering negative effects from natural disasters.

- **Affordability Period:** CDBG-DR assisted units must meet the affordability requirements, including affordable rents and occupancy by income eligible tenants as described elsewhere in this document. These restrictions will be imposed for the period of time as outlined in the table below, following project completion and close out. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. They will be imposed by a Regulatory Agreement recorded in first lien position. The City will also conduct monitoring and inspections and will require recordkeeping and reporting requirements throughout the affordability period.

Type of CDBG-DR funded development	Minimum Affordability Period
New construction of multifamily units	20 years

- **Affirmative Marketing Plan:** DR-MHP applications must include an Affirmative Marketing Plan developed using the Affirmative Fair Housing Marketing Plan Form HUD-935.2A. Affirmative Marketing involves special outreach and advertising efforts designed to communicate the availability of DR-MHP assisted housing to those groups or individuals who might otherwise be unlikely to apply. Those groups are identified through analysis of local housing market area demographics using statistics readily available from the U.S. Census Bureau and determining appropriate advertising and outreach efforts to be followed by Developers to reach out to those least likely to apply for the housing opportunity. Affirmative marketing efforts must begin at least 90 days prior to initial occupancy for new construction projects.



HCD has determined that in addition to the required demographic analysis, individuals and families that were impacted by the disasters, low-income immigrants, persons with limited English proficiency, and Section 8 Housing Choice Voucher holders are least likely to apply.

1. Developers shall download [Form HUD-935.2A](#).
2. Review the form and its instructions.
3. Identify the Census Tract where the housing is located.
4. Determine the Census Tract(s) that comprise the Housing Market Area (generally multiple Census Tracts comprising a City or portion of a County). Develop a map to represent this market area. CPD Maps may be used for this purpose.
5. Determine the Census Tract(s) that comprise the Expanded Housing Market Area (generally multiple Census Tracts that comprise an entire County and often areas that extend beyond jurisdictional boundaries).
6. Using CPD Maps or U.S. Census Bureau data, complete Form HUD-935.A Worksheet 1, listing the number of residents in each category (existing Project residents if applicable, Project wait list applicant data if applicable, residents of the Census Tract, residents of the designated Housing Market Area, and finally residents of the Expanded Housing Market Area).
7. Based on the data evaluation in Worksheet 1, to identify any under- representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or Disability. If there is significant under- representation of any demographic group among Project residents or current applicants (for existing housing) in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. To identify underrepresented groups least likely to apply for housing in newly constructed Projects that do not currently have existing occupants or waitlists, evaluate the Census Tract data against the Housing Market Area and the Expanded Housing Market Area to identify underrepresented groups in the Census Tract. Note that individuals and families that were impacted by the disasters and Section 8 Housing Choice Voucher holders shall be considered among those who are under-represented and least likely to apply.
8. Worksheet 2 shall not be used. Residency Preference Areas shall not be established for DR-MHP Projects.
9. Complete Worksheet 3 to identify each targeted underrepresented population and the specific community contacts to be consulted for the purpose of effectuating Affirmative Marketing. To reach out to individuals and families that were impacted by the disasters and to Section 8 Housing Choice Voucher holders, the AFHMP shall, to the extent feasible, identify non-profit caseworkers who were on the ground during the disaster, contact area public housing agencies, advertise through TV, Radio, Newspapers, Billboards, 211 system. Within the interest list and application, data shall be collected to

determine if a prospective applicant was impacted by the disasters or is a Section 8 Housing Choice Voucher holder.

10. Complete Worksheet 4 to identify appropriate advertising methods (publications, outlets) for each targeted population.
  11. Review and update the AFHMP every five years, or when there are significant changes to the demographics of the Project or the local housing market area.
- **Deadlines:** Developers that receive CDBG-DR funds must take title (in the case of acquisition) and have a fully executed construction contract for at least fifty percent (50%) of funded properties within sixty (60) days of the signing of the Commitment Agreement. Projects must have City approved milestones associated with the acquisition, development, and lease-up of the units, and demonstrate progress toward this deadline by reaching milestones on the approved schedule. Developers responding to this RFP will provide a timeline in the form of a milestone chart. While it is important that the timeline reflect efficient project progress in order to get full points through the scoring process, it is equally important to note that Developers can expect to be held to the timeline that they lay out. **Due to State and Federal deadlines, projects that do not reach milestones in a timely manner will be subject to rescission of CDBG-DR funding.**
  - **Reporting:** Each funded Developer will be required to collect and report information about the organization(s) responsible for oversight over the development and management of the property, including, but not limited to an audited annual financial statement within ninety (90) days after the end of the Developer's fiscal year. The audit must be submitted annually throughout the life of the CDBG-DR project.

Each funded Developer will be expected to collect and report information about the uses of funds throughout the development of the project, including, but not limited to:

- Annual certified rent-roll within thirty (30) days of the project's fiscal year end;
- Operating budget comparing actual to projected income/expenses prepared by Developer and property manager sixty (60) days prior to the project's fiscal year end;
- Annual Section 8 (HQS) inspection report;
- Annual re-certification of tenant income.
- Monthly lease status and rental amount for each property during initial lease up.
- Other data needed to support HUD reporting requirements and performance measures
- Tenant income, household composition & other information required to document eligibility

Failure to submit such reports can be cause for withholding CDBG-DR funding draws or required repayment of CDBG-DR funds.

Additional project/program requirements will be outlined in the Developer Agreement following the selection of projects. Developers of projects must notify the City concerning any material changes in the project including, but not limited to, a change in property management, organization staffing, any actions or impending actions against the property, changes in ownership, etc.

## Application Evaluation Criteria

Applications will undergo a review that includes the following:

- **Threshold review by City:** Applications will be subject to threshold review to determine eligibility for CDBG-DR funding.
- **Scoring by City:** Projects meeting threshold requirements will be scored on a point system.
- **Underwriting by City:** High scoring projects will undergo underwriting for potential funding.
- **Review by State:** Program requirements are laid out in [DR18 MHP Program Policies and Procedures Manual](#). A list of review criteria is found in [Appendix B](#).
- **Development of a list of contingencies by City:** Projects selected for funding will be provided a list of changes that they must make, requirements that they must meet, and documents that they must produce in order to get to Project Commitment.

### Threshold criteria include:

- Application and all requested narrative and attachments must be complete, and received by the application submission deadline. The application must be properly signed.
- The Developer must provide a fully completed preliminary budget and proforma using the forms provided by the City with this RFP. The Developer must also clarify in the application each anticipated source of funding, the anticipated funding amount, and the dates by which application for the funding has/will be made and by which funding decisions will be complete.
- The proposed activity(ies) must be eligible under the City's CDBG-DR Program.
- No RFP thresholds may be exceeded. All outlined requirements must be met.
- Projects must comply with income targeting requirements.
- Evidence of site control must be provided. This must be evidenced by an executed option to buy, a purchase agreement, a deed, or a ground lease with a duration of at least 30 years, and must be good for at least ninety (90) days past the deadline for application submission.
- If completed, a recent Phase I Environmental Site Assessment valid in accordance with the most current ASTM Standard should be provided with the application, along with

complete and satisfactory responses to any issues raised in the Phase I report, and this can improve the applicant's score under readiness to proceed. A completed environmental review and release of funds by the State of California will be required prior to project commitment.

- Applicant team members must not be debarred or otherwise prohibited from conducting business with the City of Clearlake, the City of Lakeport, the State of California, or the Federal Government.

Developers that do not meet the threshold requirements may be deemed ineligible for further consideration. Projects meeting threshold will be scored. Eligible applications will be evaluated by City staff according to the following selection criteria:

### **Project Feasibility and Plan (40 points)**

Quality and performance of overall project plan. The following will be evaluated:

- The submission of a complete, clear, compliant, and appropriate set of preliminary plans and specifications.
- Project budget is logical, reasonable, and a good value for the product. Estimated development and construction costs are well researched and detailed, and include appropriate contingencies and operating reserves.
- The project operating pro forma is based on sound, appropriate information, convincing data, and realistic inflators.
- Operating cash flows are realistic and adequate, and replacement reserves are appropriate.
- Project is well planned, structured and designed to fully comply with the requirements of this RFP, including City/County/State new construction standards and codes, CDBG-DR requirements.
- The project capitalizes on the desired characteristics related to durability, efficiency, accessibility, quality, usability, and aesthetics as outlined in this RFP, and exceeds the required energy efficiency, green building and design standards.
- Development milestones are logical and reasonable.
- There are effective marketing, lease-up, and management strategies in place.
- Application and project information is complete, detailed, logical, consistent, and reasonable.
- The project is efficient in its use of CDBG-DR funds, and in its leveraging of other funds. Other sources of funding are realistic, adequate and appropriate (must be for a minimum of sixty percent [60%] of the total development costs). All funding and associated requirements are clear and adequately reflected in the pro forma.

### **Developer Capacity (25 points)**

Proven record of development and/or redevelopment experience with comparable activities in similar neighborhoods; Developers demonstrating “capacity” will:

- Have a recent history of development and/or redevelopment that includes high quality affordable residential products delivered on-schedule and on-budget. This must include a minimum of at least three multifamily projects, one of which must have been affordable.
- Have adequate staffing levels with appropriate skills & qualifications to complete the proposed project within the stated timeframe.
- Demonstrate the extent to which previous experience is similar in type, scale, and complexity to proposed project.
- Demonstrate that current and projected workload will not interfere with ability to complete this project in a timely manner.
- Possess organizational financial strength.
- Have substantial experience and capacity in the successful lease up and management of rental property.
- Have experience and capacity in ownership and asset management of a similar type and size rental development.

### **Community Impact/Project marketability (20 points)**

Projects must be marketable and involve properties that demonstrate a likelihood of having a stabilizing impact on the neighborhood.

- The application adequately and appropriately demonstrates a market for the project, including any commercial units. Factors such as comparables, realistic rents, similar amenities to other projects, vacancy rates, etc. will be reviewed, as provided.
- The project is close to the downtown and employment centers, or other significant community anchors.
- The likely impact of the project on the surrounding neighborhood. Will the project improve the marketability of the surrounding homes and be a meaningful addition to the surrounding neighborhood?
- There is evidence that thought was given to the proximity of the project to other community development efforts, public transportation, grocery stores, parks, and other amenities that may add value to the project and stabilize the community. Also, evidence that thought was given to common areas and the provision or availability of supportive services to tenants such as childcare, educational opportunities, laundry facilities, play areas, transportation, financial literacy counseling, etc.
- The project is designed to meet the needs and tastes of the targeted market population, including overall and unit layout, size, number of bedrooms/bathrooms, architectural

and aesthetic value, etc. Projected construction should include materials, design, and amenities that are of high quality and durable, efficient and marketable.

### **Readiness to Proceed (15 points)**

Ability to implement program activities quickly and effectively upon the commitment of funds and to meet required milestones and deadlines as outlined above. Developers demonstrating "readiness" will:

- Have in place all needed zoning, documentation from the local building official attesting that the project has all necessary approvals to be issued a building permit (entitlements), utility permits, and SHPO approvals.
- Provide a copy of the appraisal of land to be acquired/used for the project.
- Have solicited bids for the project and identified a building contractor for the project, and have a contract in place that is contingent upon project funding.
- Include in the application conditional commitments for all non-city construction and permanent financing, grants, equity sources and deferred fees or expenses. Conditional commitment letters for each source of financing contain the amount of the financing, and the interest rate, term and amortization period/repayment terms of the loan.
- Include an HCD compliant Market study that meets the State requirements for tax credit projects. The Market study must show that the proposed project is marketable as structured. The market study requirements may be found here:

<https://www.treasurer.ca.gov/ctcac/2021/market-study-guidelines.pdf>

- Provide commitment letters from all project partners.

### **Underwriting**

Once applications are scored, those with higher scores that are deemed eligible and potentially fundable will undergo an underwriting process, which will consist of the following components:

#### **Financial Review**

This will include a review of organization financial statements over time, along with audits. The financial strength of the organization will be a factor in project funding. Areas of review will include assets, liabilities, working capital, current ratio, revenue, expenses, net worth, leverage ratio, cash flow, budget variance, and return on investment.

#### **Proforma Review**

In addition to threshold and scoring criteria, we will look at efficiency in meeting project requirements such as subsidy per unit, use of CDBG-DR funds, project size, anticipated construction start date, etc. We will also review the budget and look at parameters such as



percentage of soft costs, costs per unit, cash flow, construction contingency, contractor fees, developer fee, deferred developer fee amount. We will look at unit and revenue information such as the unit mix, potentially excessive construction financing, funding gap, strength of investors/syndicator, financing terms, and permanent financing. We will review the operating budget and cash flow, including management fees, pro forma period alignment, debt coverage ratio, vacancy rate, cash on cash return, replacement reserves, amount of hard debt, payment in lieu of taxes, rent and expense inflators, cash flow, sensitivity analysis, etc.

### **References**

Knowledge of the developer and their work, types and locations of projects completed, performance of developer, completion of projects on schedule and within budget, whether projects were well managed and adequately funded, etc.

### **Site visit**

Marketability of project; likely impact of the project on the surrounding neighborhood; discernible issues with the planned use of the existing structure, the lot, the infrastructure, or the planning for the project; etc.

Questions may be asked of developers, and requests for additional information or for changes to the project may occur during this underwriting process.

## Submission Contents & Instructions

Developers must submit the following in response to this RFP:

### I. Cover letter

Attach to the front of your submission a one-page **cover letter** introducing yourself and your project, providing your reasons for pursuing this RFP/RFQ and the reasons that you believe the City should seriously consider your project/organization for funding.

### II. Application and Attachments

- A. Complete and sign the attached **Application**
- B. Complete the attached **Development Team Table**
- C. Complete the **HUD Utility Allowance Model** (see website listed on page 8)
- D. Complete all portions of the attached **Rental Development Pro Forma** for the housing portion of all projects. You must use the pro forma template provided. This pro forma is to be used in conjunction with a separate proforma of your choice for the commercial property portion if you are developing a mixed-use project. This commercial development pro forma must include a development and construction budget and a full analysis of construction and operating cash flow over time. While we recognize the challenges of separating the commercial and the residential portions of development and construction costs, we believe that the benefits of being able to analyze these elements separately outweigh the challenges. We accept that there may be some need to apportion the costs in some way between the two elements (divide costs based upon the total square footage of each use, for example). Both the housing and the commercial elements of the project should be viable over the affordability period based upon their individual marketability and cash flow.

### III. Organization Information and Capacity

- A. Provide a **narrative** overview of the organization's history and experience in developing market rate and affordable housing, and particularly rental housing. Also describe your experience in working with federally funded affordable housing programs, especially CDBG, CDBG-DR, LIHTC and HOME. Provide a project list with details about and locations of specific projects that you have completed. Include the total number of units in each development, the total development cost and sources of funding for each, along with the date of completion.

For three (3) projects similar to the one proposed, that have been placed into service in the past five (5) years, provide reference contact information from client/community. Also provide 2 years of the most recent project financial information for each of these three projects. Information should include Balance Sheets, Income Statement and Statement of Cashflow. If summary statements are

used, please make sure to include management fees and reserve account information for these projects. Provide explanations for material budget variances.

Identify your experience in working within Lake County. Also indicate whether your organization has a current presence in Lake County and provide details about the nature of your presence and the community involvement, development and/or affordable housing work in which you are presently engaged.

- B. Provide narrative describing your development team for the project. Describe the role, experience, and capacity of each person on the team. Include internal staff, project owner, project manager, specification writer, financial/accounting professionals, architects, engineers, contractors, construction manager, marketing professionals, property manager, asset manager, consultants, etc., as appropriate. Provide **resumes** for each staff person and partner, along with **letters of commitment** (optional, but worth readiness to proceed points) from each entity with which you propose to partner or contract and a narrative description of each organization. If executed, provide a copy of the **contract** (optional, but worth readiness to proceed points) between you and the primary building contractor for the project. The contract may be contingent upon project funding. Though we recognize that you may not have all partners in place, we will rate your overall capacity based upon those staff and partners that are presently committed to the project. If a CHDO is involved, they must contact the City prior to submission, and may be subject to a separate recertification by the City.
- C. Provide narrative describing any existing commitments and any other opportunities that you plan to pursue during the proposed development period for your project. Outline the start and completion dates, locations, funders, and total budgets for all other projects with which you will be involved. Explain how you will manage these multiple obligations.
- D. Provide narrative explaining how you will market properties to potential tenants, how you will screen tenants, and how you will meet fair housing/anti-discrimination requirements in the selection of tenants.
- E. Explain the systems you will have in place to manage the property and the assets. Outline how you will handle unit turnover, collection of rent payments, recordkeeping and reporting requirements, and evictions. Provide your plan for the provision of maintenance. Describe any services and/or amenities that you will offer to tenants.
- F. Provide copies of Developers **parent company financial statements** as listed below for 2018, 2019, 2020 and current financial statements for 2021 through June 30, 2021:
  - 1. Statement of Financial Position (balance sheet) showing current and other assets, current and long term debt and other liabilities, and equity.
  - 2. Income Statement (profit and loss statement) showing the company's financial performance (income, expense, and net profit or loss).

3. Statement of cash flows. Shows changes in the entity's cash flows during the reporting periods.
  4. Any **audits** completed during the past 3 years. Nevada County reserves the right to require audited or certified financial statements prior to commitment.
- G. Include narrative on how you will comply with Section 3 requirements (see Section 3 of the Housing and Urban Development Act of 1968), and what efforts you will utilize to ensure that you are making the best use of local resources and seeking to expand opportunities to low-income persons within the target area and community.
- H. If you are a certified minority/women owned business or enterprise, or have certified minority/women owned businesses or enterprises on the development team, provide evidence.
- I. Prior to the signing of the Developer agreement be prepared to provide evidence of insurability for the insurance standards listed below (For your future reference, not needed at this time, but will be required prior to the signing of Developer agreement):

The Developer shall maintain for the duration of the contract(s), at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Vendor, its agents, employees, representatives, assigns or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

Additional Insured Status: The local jurisdiction must be listed as additional insured for liability arising out of activities performed by or on behalf of the Contractor.

Special Conditions: The insurer must indicate on the Certificate of Insurance that it agrees to defend, indemnify, and hold harmless the local jurisdiction, its agents, servants, and administrators from any and all complaints arising out of work or duties to be performed under this contract between the local jurisdiction and the Vendor.

Amounts: All insurance shall be written up for the following limits of liability:

- Bodily Injury Liability Insurance: \$1,000,000.00 each person, \$1,000,000.00 each occurrence.
- Property Damage Liability Insurance: \$1,000,000.00 each person, \$1,000,000.00 each occurrence.
- Professional Liability: \$1,000,000.00.

#### IV. Project/Property Information

- A. Provide copies of the following documents:
1. **Preliminary plans and specifications** including at a minimum a site map, a site plan, floor plans with dimensions, and elevations. All drawings to be scaled and

- submitted electronically. Include a chart describing basic exterior and interior materials/finishes and amenities. Also include a narrative describing the energy and green building standards that will be met and the type of heating, air conditioning and ventilation system to be installed. A complete set of final approved plans including all mechanicals, cross sections, finishes, etc. shall be required prior to project commitment.
2. Evidence of **site control**. This must be evidenced by submission of an executed option to buy, a purchase agreement, a deed, or a ground lease with a duration of at least 30 years, and must be good for at least 90 days past the deadline for application submission. Must have evidence of clear title prior to commitment.
  3. Evidence of proper **zoning** for the site(s), such as a zoning map showing the project, or a letter from the City zoning office approving the rezoning of the site(s). If zoning requirements are not currently met, describe what has been done and what remains to be done to come into compliance (the description is required, though evidence of proper zoning is optional, but worth readiness to proceed points. Evidence of proper zoning will be required prior to commitment).
  4. If completed, provide copies of **Appraisals** for all project property (land and buildings) (optional, but worth readiness to proceed points, and will be required prior to commitment).
  5. If they have been secured, provide documentation from the local building official attesting that the project has **all necessary approvals to be issued a building permit** (if fully entitled or has a completed application), copies of all necessary **utility permits**, State of California Historic Preservation Office **section 106 approval letter**, as applicable, and any other necessary **permits** for the project (optional, but worth readiness to proceed points, and will be required prior to commitment).
  6. **Evidence that the proposed project complies with Article XXXIV**, Section 1 of the California Constitution, or that it falls within one or more of the statutory carveouts set forth by California's Public Housing Election Implementation Law (PHEIL) (Health & Saf. Code, §§ 37000 – 37002).
  7. Identify in a **milestone chart** the anticipated dates for the completion of any and all key development milestones, including the following:
    - a. Completion and submission of property appraisal.
    - b. Completion and submission of evidence of proper zoning.
    - c. Completion and submission of lead-based paint risk assessment report (if applicable), building entitlement approvals, section 106 approvals (if applicable), and utility approvals.
    - d. Completion and submission of compliant market study.

- e. Acquisition of property (also include anticipated purchase price)
  - f. Executed contract with general contractor for project.
  - g. Construction start date.
  - h. Construction completion date.
  - i. 100% lease-up.
8. If completed, provide a **market study** report for the project that meets the State of California requirements for tax credit projects (optional, but worth readiness to proceed points, but will be required prior to commitment). If the Market Study is not complete, then, the submission must include a market assessment that provides, at a minimum, the local prevailing market rents and vacancy rates to support the need and viability of the proposed development.
9. Provide a completed **phase I Environmental site assessment** valid in accordance with the most current ASTM standard, along with complete and satisfactory responses to any issues raised in the Phase I report. The Phase I ESA report must be dated within four (4) months of the application submission due date.
- B. Provide **narrative** identifying the specific geographic location in which you plan to develop your project, and describing its proximity to employment centers. Also describe why there is a good fit between this project and the area in which you propose to construct it.
- C. Provide a **narrative** description of your anticipated tenants (based upon your market analysis). In the narrative describe your preliminary market analysis and findings, the targeted population including income, age, anticipated household makeup, and other characteristics. Explain how you arrived at the projected rental amounts for each housing unit. Describe how you will ensure that the proper units get CDBG-DR eligible tenants. Describe the differences between the CDBG-DR eligible units and other units in the project, including any market rate units. Will the market rate units be comparable to the CDBG-DR assisted units in both size (bedroom count and square footage) and amenities (similar fixtures, appliances, and features)?
1. Describe the marketing and outreach strategy you will utilize to reach your target program participants, including an **affirmative marketing plan (HUD935)** in compliance with all fair housing and non-discrimination requirements, as described in the section on CDBG-DR Requirements and Developer Obligations, and that describes additional outreach to fire-impacted households.
  2. Describe any supportive services that you will provide to your tenants, how they will be provided, and why these are valuable to the targeted population. Also describe any other services available to your tenants.
  3. Identify any mechanisms currently in place to assist with the rents for potential tenants.

- D. Provide a **narrative** description of the proposed project for which funds are being requested. Explain how you will complete and rent the project within the prescribed timeframe
1. Describe in what ways the project is designed to have an impact on the surrounding neighborhood and market.
  2. Provide information on the proximity of the project to other community development efforts, public transportation, grocery stores, parks, and other neighborhood amenities that may add value to the project and stabilize the community.
  3. Describe the common areas and facilities available to the tenants, and explain how the project and the units are positioned to meet the needs and tastes of the targeted market population, including layout, size, number of bedrooms/bathrooms, architectural and aesthetic value, amenities, etc.
  4. Describe design accommodations for accessibility; natural light; fresh air; storage; circulation; and standards regarding the quality and durability of cabinets, appliances, fixtures, building components, hardware, and finishes.
  5. What materials, design features, and amenities will make the units energy efficient and marketable?
  6. Describe any commercial units in your project. Will they make the project more or less marketable? How are they a good fit for this project? How do you intend to market these units, and what provisions have you made for customers of these establishments? What types of businesses do you hope to attract? How did you arrive at lease amounts?
- E. In a **narrative**, describe the financial aspects of your project. Indicate the CDBG-DR funding requested for development, plus any other types of funding to be used. As available, provide **letters of commitment** for these funds, including funding amounts and specifying all key business terms (optional, but worth readiness to proceed points, and these will be required prior to commitment). Also identify any and all key conditions that need to be satisfied before each funder will be willing to close. If funds are not available to the project at the time of application submittal, identify when you applied or will apply for the identified funds. Also, identify when the commitment may be expected. Also describe the financing structure for any commercial units.
1. Identify and describe any investors in the project and their proposed level of investment. If available, provide a **letter of commitment** providing details regarding the investment (optional, but worth readiness to proceed points, and will be required prior to commitment).
  2. Developer fee: Indicate the proposed Developer fee (maximum 15% of proposed development costs which will include all project management or consultant



management fees), and all other fees proposed (including builder fees) to be earned by affiliates of the Developer, for each unit developed under this RFP.

**V. Other Required Signed Forms (see Exhibits at end of document)**

- A. Lobbying certification
- B. Conflict of Interest
- C. Section 504 Certification

**Deadline: Applications must be submitted to the respective City's office no later than 5:00 pm, on November 5, 2021. Any proposal received after the deadline will not be accepted.**

**Copies:** Developers shall submit one electronic copy (**on a USB Flash Drive**) one originally signed paper copy, and two additional (non-original) copies of the application materials, with all exhibits. The paper copies should be placed in a three-ringed binder (oversize elements, such as plans may be included separately, but must be clearly identified as to developer and project) with a clearly labeled cover sheet on the outside of the binder listing the name of the Developer and the project.

**Applications should be addressed to:**

Attention:

**City of Clearlake**

Alan Flora, City Manager  
14050 Lakeshore Drive  
Clearlake, CA 95422

**City of Lakeport**

Kevin Ingram, City Manager  
225 Park Street  
Lakeport, CA 95453

Projects should be submitted to the City in which the proposed project would be located, and will be reviewed by that City's review team. Projects will be awarded based upon the overall strength of the application and project, as determined through the project review and underwriting process. The Cities reserve the right to request additional information or documentation at any stage during the process, to request that changes be made to a proposal, to fund portions of any given proposal, and/or to choose not to fund any or all proposals. The Cities also reserve the right to change the funding requirements or amount of a given proposal prior to closing, at its sole discretion. Developers will be expected to respond and comply with any additional requests in a timely manner. Failure to provide requested information on a timely basis will result in a proposal being deemed non-responsive and ineligible for further consideration.

If a developer wishes to appeal the award process, their appeal must be made in writing within one week of notification that they are not in receipt of an award. They must include in their written appeal justification for why award should be made to them. The City Manager will review all appeals, and a final decision will be made by them, at their sole discretion.

Successful projects will be provided a conditional reservation letter, along with a list of conditions to be met prior to commitment of funds. Legal documents will include, but not be limited to a commitment agreement, a mortgage, a note, and a regulatory agreement.

**CDBG-DR Rental Project Developer RFP Checklist****List of everything to be submitted with the application for project funding**

- Cover Letter (*I on page 24*)
- Application (*IIA on page 24*)\*\*
- Development Team Table (*IIB on page 24*)\*\*
- HUD Utility Allowance Model (*IIC on page 24*)
- CDBG Rental Development Pro Forma (*IID on page 24*)\*\*
- Narrative on Organization Information and Capacity (*IIIA-H on page 24*)
- Reference contact information from past clients (*IIIA on page 24*)
- Resumes for all staff and partners (*III B on page 25*)
- Letters of Commitment from partners (*IIIB on page 25*)\*
- Contract with building contractor (*IIIB on page 25*)\*
- Copies of current financial statements and recent audits (*IIIF on page 25*)
- Site map, plans, specifications, and related documents (*IVA1 on page 26*)
- Evidence of site control (*IVA2 on page 27*)
- Evidence of proper zoning for the site (*IVA3 on page 27*)\*
- Appraisals for all project property (*IVA4 on page 27*)\*
- Documentation from the local building official attesting that the project has all necessary approvals to be issued a building permit (if fully entitled or has a completed application) (*IVA5 on page 27*)\*
- Section 106 clearance, as applicable (*IVA5 on page 27*)\*
- Evidence that the proposed project complies with Article XXXIV (*IVA6 on page 27*)\*
- Project development milestone chart (*IVA7 on page 27*)
- Market study (*IVA8 on page 28*)\*
- Phase I Environmental Site Assessment (*IVA9 on page 28*)
- Project/Property Information Narrative (*IVB-E on pages 28-29*)
- Affirmative marketing plan -HUD935 (*IVC1 on page 28*)
- Documentation of funding and investor commitments (*IVE on page 29*)\*
- Signed Lobbying Certification (*V1 on page 32*)
- Signed Conflict of Interest (*V2 on pages 33-36*)
- Signed Section 504 Certification (*V3 on page 37*)

*\*Optional at application stage, but need for readiness to proceed points. Required before execution of Commitment Agreement.*

*\*\* Separate attachment to RFP.*

**Additional requirements for State Approval**

List of everything, in addition to the above, required upon submission of this project to the State for approval. Necessary forms and information related to these will be provided to all applicants scoring high enough to pass initial scoring and underwriting.

- Sources and uses form created by and required by State
- Non-Debarment Verification for Partnership, Managing General Partner and Administrative General Partner (as applicable – required by State)
- DR-MHP Project Contact Information (Form created by and required by State)
- Any Partnership Agreements (required by State)
- DR-MHP Identity of Interest Disclosure (Form created by and required by State)
- DR-MHP Developer’s Experience Form (Form created by and required by State)
- Development renderings
- If the project is not subject to WUI building codes, a map demonstrating the development is not in a High Fire Zone
- A construction schedule for the project, by trade
- DR-MHP Labor Standards Compliance Form (Form created by and required by State)
- DR-MHP Unit Mix Form (Form created by and required by State)
- Supportive Services Plan (If applicable)
- Environmental Review Record and Request for Release of Funds (RROF)

**CDBG-DR Program Mandatory Acknowledgement “Lobbying Certification”**

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies that to the best of his or her knowledge and belief.

(1) No federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an office or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Division 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$1,000,000 for each such failure.

WITNESSES:

SUBRECIPIENT, CONTRACTOR OR SUBCONTRACTOR:

1. \_\_\_\_\_ Signature: \_\_\_\_\_

2. \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

**City of Clearlake CDBG-DR Program Mandatory Acknowledgement “Conflict of Interest”**

The City of Clearlake is required by HUD to include a Conflict of Interest clause to all contracts. Please be aware that these requirements will apply if you are awarded a contract with the City of Clearlake.

The Contractor warrants that its participation in this contract will conform to the requirements of all applicable CDBG-DR regulations including Sections 84.42, 85.36 and 570.611 of Title 24 of the Code of Federal Regulations, and further warrants that such participation will not result in any organizational conflict of interest. Organizational Conflict of Interest is defined as a situation in which the nature of work under this contract and the Contractor’s organizational, financial, contractual or other interests are such that:

- Award of the contract may result in an unfair competitive advantage; or The Contractor’s objectivity in performing the contract work may be impaired.
- In the event the Contractor has an organizational conflict of interest as defined herein, the Contractor shall disclose such conflict of interest fully in the submission of the proposal and/or during the life of the contract.
- The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to City Manager, which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. may, however, terminate the contract if it is in best interest of the City.
- In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the City, the City may terminate the contract for default.
- The provisions of this clause shall be included in all subcontracts and consulting agreements.
- No federal, state or local elected official, nor any employee of the City of Clearlake, nor any corporation owned or controlled by such person, shall be allowed to participate in any share or part of this contract or to realize any benefit from it. This provision shall be construed to extend to this contract if made with a corporation for its general benefit.
- No member, officer, or employee of the City of Clearlake, no member of the governing body of the City of Clearlake or any other local government and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.
- The City reserves discretion to determine the proper treatment of any conflict of interest disclosed under this provision.

Witnesses:

Sub-recipient, Contractor, or Subcontractor:

1. \_\_\_\_\_ Signature: \_\_\_\_\_

2. \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_



**City of Lakeport CDBG-DR Program Mandatory Acknowledgement "Conflict of Interest"**

The City of Lakeport is required by HUD to include a Conflict of Interest clause to all contracts. Please be aware that these requirements will apply if you are awarded a contract with the City of Lakeport.

The Contractor warrants that its participation in this contract will conform to the requirements of all applicable CDBG-DR regulations including Sections 84.42, 85.36 and 570.611 of Title 24 of the Code of Federal Regulations, and further warrants that such participation will not result in any organizational conflict of interest. Organizational Conflict of Interest is defined as a situation in which the nature of work under this contract and the Contractor's organizational, financial, contractual or other interests are such that:

- Award of the contract may result in an unfair competitive advantage; or The Contractor's objectivity in performing the contract work may be impaired.
- In the event the Contractor has an organizational conflict of interest as defined herein, the Contractor shall disclose such conflict of interest fully in the submission of the proposal and/or during the life of the contract.
- The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to City Manager, which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. may, however, terminate the contract if it is in best interest of the City.
- In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the City, the City may terminate the contract for default.
- The provisions of this clause shall be included in all subcontracts and consulting agreements.
- No federal, state or local elected official, nor any employee of the City of Lakeport, nor any corporation owned or controlled by such person, shall be allowed to participate in any share or part of this contract or to realize any benefit from it. This provision shall be construed to extend to this contract if made with a corporation for its general benefit.
- No member, officer, or employee of the City of Lakeport, no member of the governing body of the City of Lakeport or any other local government and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.
- The City reserves discretion to determine the proper treatment of any conflict of interest disclosed under this provision.

Witnesses:

Sub-recipient, Contractor, or Subcontractor:

1. \_\_\_\_\_ Signature: \_\_\_\_\_

2. \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

### Section 504 Program Certification Form (Housing & Construction Projects)

*(Completed form to be submitted at time of application)*

The Cities of Clearlake and Lakeport, under regulations from the U.S. Department of Housing and Urban Development (HUD), requires that each applicant for federal funds sign the "Section 504 Certification Form" which indicates the subrecipients (authorized official for the respective organization) acceptance to:

1. Comply with all applicable regulations,
2. Incur all costs required for compliance with the applicable regulations,
3. Be subject to the City of Lakeport or Clearlake and State of California monitoring for compliance, and
4. Accept any applicable penalties for noncompliance.

#### Signature and Certification:

The undersigned certifies to the Cities of Lakeport and Clearlake that it has read and understands all of its obligations under the Section 504 requirements. The undersigned acknowledges that this certification will be relied upon by the Cities of Lakeport and Clearlake in its review and approval of proposal for funding and any misrepresentation of information or failure to comply with any conditions proposed in this certification could result in penalties, including the disbarment of Applicant for a period of time from participation in programs administered by the Cities of Lakeport and Clearlake.

\_\_\_\_\_  
Name and address of Project

\_\_\_\_\_  
Applicant (Organization Name)

\_\_\_\_\_ Date \_\_\_\_\_

Applicant Signature

\_\_\_\_\_ Date \_\_\_\_\_

Architect/Engineer signature (If applicable)



**Cities of Lakeport and Clearlake, California CDBG-DR MHP Rental Development RFP Application  
To be completed by the primary Applicant (Developer) – Do not alter the form**

Complete all information and sign, as requested. For check boxes, double click to open dialogue box.

1. Enter the full legal name of your organization: \_\_\_\_\_

Name & Title of organizational contact: \_\_\_\_\_

Phone number: \_\_\_\_\_ Email address: \_\_\_\_\_

2. Mailing address of the organization: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Street address, if different from above: \_\_\_\_\_

3. Location (street address) of project: \_\_\_\_\_

4. Name of project: \_\_\_\_\_

5. What is the legal structure of the Developer entity?

- Individual (not a partnership or corp.)
- Partnership
- For-profit corporation
- Non-profit corporation

6. Is the organization any of the following?

- 51% minority ownership
- 51% female ownership
- 51% minority business enterprise

7. Federal Tax ID Number: \_\_\_\_\_

8. Will anyone on the development team occupy a unit in the project?  Yes  No

9. Is Developer a Community Housing Development Org. (CHDO)?  Yes  No

If yes, what is the date of your most recent CHDO certification? \_\_\_\_\_

10. Is your organization applying for funds to build new rental housing?  Yes  No

Is your organization proposing a mixed income, mixed use, or mixed income/mixed use project?

- Mixed income
- Mixed use
- Mixed income & mixed use

11. Have any persons employed by your agency been debarred by HUD or the State of California?  Yes  No

12. Are there any restrictions on the contracting of your agency with any federal or state agency, or with Nevada County?  Yes  No

13. Has your organization or one of its principals filed for bankruptcy within the past ten years?  Yes  No

- 14. Number of CDBG-DR funded units that you plan to develop? \_\_\_\_\_
- Number of market rate units that you plan to develop? \_\_\_\_\_
- Total number of housing units that you plan to develop? \_\_\_\_\_
- Number of commercial units that you plan to develop? \_\_\_\_\_
- Square footage of commercial space that you plan to develop? \_\_\_\_\_

- 15. Total development budget for project? \$ \_\_\_\_\_
- Funding request from CDBG-DR Program? \$ \_\_\_\_\_

- 16. CDBG-DR unit breakdown by income level:
- Number of units at 80% AMI and below? \_\_\_\_\_
- Number of units at 60% AMI and below? \_\_\_\_\_
- Number of units at 50% AMI and below? \_\_\_\_\_
- Number of units at 30% AMI and below? \_\_\_\_\_

To the best of my (our) knowledge and belief, all information in this application is true and correct. The governing body of the Developer applicant has duly authorized this document and application for funding, and the Developer applicant will comply with all CDBG-DR Program requirements, if funding is awarded. Developer applicant agrees to adhere to all contracting and hiring requirements of the federal, state, County, and City government. Developer applicant understands and agrees that all units developed or redeveloped through this CDBG-DR funding must be sold to income eligible households.

The undersigned authorizes the City staff and their consultants to conduct investigations necessary to establish developer capacity and project feasibility, including but not limited to such verifications as employment, credit, construction experience, property ownership and financial condition. It is further authorized that the City may send requests to receive such information from a lender or lenders so designated for the purpose of securing financial information.

Any person who knowingly makes a false statement or misrepresentation in this application or causes such a false statement or misrepresentation to be made, shall be subject to a fine of not more than \$5,000 and/or imprisonment for not more than two years, under provisions of the United States Criminal Code.

Authorized Representative:

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Development Team Table

**Fill in all appropriate categories (more lines can be added as needed)**

*If a line is blank, then, we will assume that you have no capacity in that area.*

SKILL/ROLE	NAME(S)	AFFILIATION (Name of Organization)
Project Manager(s)		
Specification Writer(s)		
Architect(s)/Engineer(s)		
Attorney(s)		
General Contractor(s)		
Construction Manager(s)		
Finances/Accounting		
Marketing/Lease-Up		
Housing Counselor(s)		
Consultant(s)		
Property Management		
Asset Management		
Other		

## Cities of Lakeport and Clearlake, California - Rental Development Proforma

### GENERAL INSTRUCTIONS

This proforma is set up to provide for the option of entering data for construction costs, development costs and operating costs either as a combined item total, or separated by unit. This is useful when all units are not the same, such as when you are rehabbing a building and adding another building on the site. In addition, we are requesting that all units be entered individually on the revenue page, since it is anticipated that it is likely that there will be existing structures utilized, which can lead to differing square footage and layout across units, which when combined with eligibility, rents and other characteristics makes a separate entry meaningful.

1) This proforma consists of 7 worksheets for you to fill out (excluding instructions):

Sheet 1: Summary Sources & Uses

Sheet 2: Revenue

Sheet 3: Annual Operating Budget

Sheet 4: Operating Cash Flow

Sheet 5: Development Budget

Sheet 6: Construction Budget

Sheet 7: Construction Cash Flow

2) **YOU WILL ONLY INPUT DATA IN YELLOW CELLS.**

All other cells are protected (locked) to avoid the deletion of formulas.

You can unlock them by selecting "Unprotect Sheet" under the "Format Cell" options on the "Home" tab. There is NO password.

3) In general, fill in the worksheets in the order they are numbered.

4) Be sure to complete all worksheets, as information is linked between them.

\*You can unlock the cells, but it is not recommended you do so.



**PROJECT SUMMARY**

Development: \_\_\_\_\_  
 Owner: \_\_\_\_\_  
 Location: \_\_\_\_\_  
 County: \_\_\_\_\_

Number of CDBG-DR eligible units required	4
Total number of CDBG-DR units to be developed	0
Very low-income (30% AMI) Set aside required %	0%
Number of units meeting set-aside requirements	0
Very low-income (30% AMI) Set aside Actual %	#DIV/0!
Very low-income (30% AMI) Set aside met?	#DIV/0!
<b>Number of CDBG-DR units proposed to be rented to households at 80% AMI or below? All CDBG-DR funded units must meet this requirement.</b>	0

Total Units: 0

Units by Bedroom Size		Units by Income Target	
0 bedroom	0	30%	0
1 bedroom	0	50%	0
2 bedroom	0	60%	0
3 bedroom	0	80%	0
4+ bedroom	0	120%	0
<b>Total</b>	<b>0</b>	<b>Market</b>	<b>0</b>
<b>Total</b>		<b>0</b>	

Operating Budget	Annual	Per Unit	Long-Term Trending Assumptions	
Gross Rent Potential	\$0	#DIV/0!	Combined Vacancy Rate:	7.0%
Other Income	\$0	#DIV/0!	Rent Inflation:	2.0%
Vacancy	\$0	#DIV/0!	Expense Inflation:	
Adjusted Gross Income	\$0	#DIV/0!	Administration	3.0%
Operating Expenses	\$0	#DIV/0!	Maintenance	3.0%
Net Operating Income	\$0	#DIV/0!	Operating	3.0%
Debt Service	\$0	#DIV/0!	Escrows & Reserves	3.0%

Debt & Cash Flow Over Time				
Year 1	n/a	Year 1 Net Cash Flow	\$0	#DIV/0!
Year 5	n/a	Year 5 Net Cash Flow	\$0	#DIV/0!
Year 10	n/a	Year 10 Net Cash Flow	\$0	#DIV/0!
Year 15	n/a	Year 15 Net Cash Flow	\$0	#DIV/0!

Dollar amount of each source for the Following Uses (Fill out after completion of the sources table below)

Uses (Development Costs)	Total	Per Unit	% of TDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Predevelopment & Feasibility	\$0	#DIV/0!	#DIV/0!										\$0	Balanced	\$0.00	
Building & Property Acquisition	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Construction Costs	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Professional Services	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Carving & Construction Financing Costs	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Permanent Financing & Syndication	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Reserves	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Construction & Bridge Loan Interest	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
Developer Fee	\$0	#DIV/0!	#DIV/0!											\$0	Balanced	\$0.00
<b>Total Development Costs</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	TRUE	\$0	TRUE	\$0	TRUE	\$0	TRUE	\$0	TRUE	\$0	TRUE	\$0	TRUE

TRUE

Sources: Not including Hard Debt	Total	Per Unit	% of TDC
		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!
<b>Total Sources, excluding hard debt</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

**Surplus/(Gap) without hard debt \$0 #DIV/0! #DIV/0!**

Bank Loans (Hard Debt)

Bank Permanent Financing	Total	Per Unit	% of TDC
		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!
<b>Total Sources, including hard debt</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

**Surplus/(Gap) with Permanent Loan \$0 #DIV/0! #DIV/0!**

Bank Construction Financing	Total	Per Unit	% of TDC
		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!
<b>Total Construction Hard Debt:</b>	<b>\$0</b>		

Expected Construction Loan Interest: \$0

Permanent Financing needed: \$0 Balanced

## REVENUE PROJECTIONS

	Unit Type*	Number of Units of this type	Structure Type	Bedrooms	Baths	Sq Ft	Income Target	Utility Allowance	Proposed Contract Rent	Gross Rent	Max Rent Allowed	Rent Acceptable?	This unit will be counted as a CDBG-DR unit?		
1										\$0		Yes	No		
2										\$0		Yes	No		
3										\$0		Yes	No		
4										\$0		Yes	No		
5										\$0		Yes	No		
6										\$0		Yes	No		
7										\$0		Yes	No		
8										\$0		Yes	No		
9										\$0		Yes	No		
10										\$0		Yes	No		
<b>Total Units</b>		<b>0</b>	<b>Total Square Footage:</b>			<b>0</b>	<b>Monthly Rent Potential</b>		<b>\$0</b>		<b>Annual Rent Potential</b>			<b>\$0</b>	

\*This column is to be used to categorize units based upon similarities in size, funding eligibility requirements, target population, and/or other common characteristics (i.e. All 2 bedroom market rate units; All 1 bedroom 50% AMI CDBG-DR units; All 2 bedroom 60% LIHTC units; etc.).

Other Income***	Monthly	Annually
Miscellaneous & Interest	\$0	\$0
Laundry	\$0	\$0
Carports/Storage Units	\$0	\$0
Tenant Charges (late fees, nonsufficient funds, etc)	\$0	\$0
Commercial	\$0	\$0
<b>Totals</b>	<b>\$0</b>	<b>\$0</b>

\*\*\*Income from commercial property should not be included here, but in a separate pro forma.

## ANNUAL OPERATING BUDGET

REVENUE	Annual	Per Unit	
Gross Rent Potential	\$0	#DIV/0!	
Other Revenue	\$0	#DIV/0!	
Subtotal	\$0	#DIV/0!	
Combined Vacancy Factor	7.0%	\$0	#DIV/0!
<b>Adjusted Income</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!

TOTAL OPERATING EXPENSES	Annual Total	Per Unit Total	% of Revenue
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Administrative Costs	Annual	Per Unit	
Advertising		#DIV/0!	
Management		#DIV/0!	
Legal/Partnership		#DIV/0!	
Accounting/Audit		#DIV/0!	
Compliance Monitoring		#DIV/0!	
Other:		#DIV/0!	
<b>Subtotal</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!

Maintenance	Annual	Per Unit	
Decorating		#DIV/0!	
Repairs		#DIV/0!	
Exterminating		#DIV/0!	
Grounds		#DIV/0!	
Other:		#DIV/0!	
<b>Subtotal</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!

Operating	Annual	Per Unit	
Elevator		#DIV/0!	
Project Paid Fuel		#DIV/0!	
Common Electricity		#DIV/0!	
Water/Sewer		#DIV/0!	
Gas		#DIV/0!	
Trash Removal		#DIV/0!	
Payroll		#DIV/0!	
Payroll Taxes & Fringes		#DIV/0!	
Other:		#DIV/0!	
<b>Subtotal</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!

Escrows & Reserves	Annual	Per Unit	
Insurance		#DIV/0!	
Real Estate Taxes		#DIV/0!	
Other Taxes		#DIV/0!	
Replacement Reserve		#DIV/0!	
Other:		#DIV/0!	
<b>Subtotal</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!

<b>Total Operating Expenses</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!
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<b>Net Operating Income</b>	<b>\$0</b>	<b>#DIV/0!</b>	#DIV/0!
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MORTGAGE			
Debt Coverage Ratio	1.15		
Max Mortgage Pmt	\$0	#DIV/0!	#DIV/0!
Amortization (years)	30		
Interest Rate	3.50%		
Projected Mortgage	\$0	#DIV/0!	
<b>Override monthly Mortgage payment?</b>		<b>#DIV/0!</b>	#DIV/0!
<b>Projected monthly Mortgage Payment</b>	<b>\$0</b>		
<b>Annual Mortgage Payment</b>	<b>\$0</b>		

Cash Flow	Annual	Per Unit	
3) Operating Budget	\$0	#DIV/0!	

**Operating Cash Flow Projection**

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
<b>REVENUE</b>	Inflator																				
Gross Income Potential	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Factor	7%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Income</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Per Unit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>OPERATING EXPENSES</b>	Inflator																				
Administration	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Escrows & Reserves	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Per Unit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Operating Income</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Per Unit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Debt Service</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Coverage Ratio		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>CASH FLOW</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Per Unit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Operating Deficit Reserve Analysis</b>																					
Starting Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Operating Deficit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned on Reserve	1.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## DEVELOPMENT BUDGET

		Project Totals	Per Unit
<b>1 Predevelopment &amp; Feasibility</b>			
2	Appraisals		#DIV/0!
3	Architecture & Engineering		#DIV/0!
4	Environmental Reviews & Reports (Phase I, Phase II, etc)		#DIV/0!
5	Market Study		#DIV/0!
6	Preliminary Title Search		#DIV/0!
7	Survey		#DIV/0!
8	Consultant		#DIV/0!
9	Application Fees		#DIV/0!
10	Other:		#DIV/0!
11	<b>Total Predevelopment:</b>	<b>\$0</b>	<b>#DIV/0!</b>
<b>12 Building &amp; Property Acquisition</b>			
13	Land		#DIV/0!
14	Existing Buildings		#DIV/0!
15	Relocation		#DIV/0!
16	<b>Total Acquisition:</b>	<b>\$0</b>	<b>#DIV/0!</b>
<b>17 Construction Costs</b>			
18	Base Construction Costs	0.00	#DIV/0!
19	Energy Efficiency Upgrades	0.00	#DIV/0!
20	Appliance Package	0.00	#DIV/0!
21	Contractor General Conditions	6.00% / hard cost	#DIV/0!
22	Contractor Overhead	2.00% / hard cost	#DIV/0!
23	Contractor Profit	6.00% / hard cost	#DIV/0!
24	<b>CONSTRUCTION CONTINGENCY</b>	10.00% / hard cost	#DIV/0!
25	<b>Total Construction:</b>	<b>0</b>	<b>#DIV/0!</b>
<b>26 Professional Services</b>			
27	Legal		#DIV/0!
28	Title & Recording		#DIV/0!
29	Cost Certification		#DIV/0!
30	Marketing /Advertising		#DIV/0!
31	<b>Total Professional Fees:</b>	<b>\$0</b>	<b>#DIV/0!</b>
<b>32 Carrying &amp; Construction Financing Costs</b>			
33	Inspection & Draw Fees		#DIV/0!
34	Points & Bank Fees		#DIV/0!
35	Builder's Risk Insurance		#DIV/0!
36	Property Insurance		#DIV/0!
37	Real Estate Taxes		#DIV/0!
38	Interim/Capitalized Operating Costs		#DIV/0!
39	<b>Total Carrying Costs:</b>	<b>\$0</b>	<b>#DIV/0!</b>
<b>40 Permanent Financing &amp; Syndication</b>			
41	Points & Bank Fees		#DIV/0!
42	Title & Recording		#DIV/0!
43	Partnership & Organization Expense		#DIV/0!
44	Legal (including tax opinion)		#DIV/0!
45	Other:		#DIV/0!
46	<b>Total Permanent Financing &amp; Syndication:</b>	<b>\$0</b>	<b>#DIV/0!</b>
<b>47 Reserves</b>			
48	Rent Up Reserves		#DIV/0!
49	Operating Reserves		#DIV/0!
50	Deficit Reserve (as calculated by 20 Year Projection)	\$0	#DIV/0!
51	Replacement Reserves		#DIV/0!
52	Other:		#DIV/0!
53	<b>Total Reserves:</b>	<b>\$0</b>	<b>#DIV/0!</b>
54			
55	<b>Construction &amp; Bridge Loan Interest</b>	<b>\$0</b>	#DIV/0!
56			
57	<b>Subtotal Hard &amp; Soft Costs</b>	<b>\$0</b>	
58	Developer Fee	#DIV/0! /Hard & Soft Costs	#DIV/0!
59			
60	<b>TOTAL DEVELOPMENT COSTS (TDC):</b>	<b>\$0</b>	<b>#DIV/0!</b>

A	B	C	D
1	<b>Construction Budget</b>		
2			
3			
4			
5	<b>GENERAL CONSTRUCTION</b>	<b>Project Total</b>	<b>Per Unit</b>
6			
7	Demolition		#DIV/0!
8	Excavation		#DIV/0!
9	Concrete		#DIV/0!
10	Masonry		#DIV/0!
11	Roofing		#DIV/0!
12	Siding		#DIV/0!
13	Rough carpentry		#DIV/0!
14	HVAC (Repair, not Replacement)		#DIV/0!
15	Plumbing		#DIV/0!
16	Electrical		#DIV/0!
17	Finish carpentry		#DIV/0!
18	Interior Doors and Closet		#DIV/0!
19	Windows (Refurbish, not Replacement)		#DIV/0!
20	Drywall		#DIV/0!
21	Tile		#DIV/0!
22	Paint (interior)		#DIV/0!
23	Flooring		#DIV/0!
24	Basic Insulation (not for Energy Efficiency)		#DIV/0!
25	Energy Efficiency Enhancements (see below)		#DIV/0!
26	Appliances (see below)		#DIV/0!
27	Cabinets & Counter Tops		#DIV/0!
28	Hardware and Accessories		#DIV/0!
29	Window Treatments (mini blinds)		#DIV/0!
30	Exterior Doors		#DIV/0!
31	Storm Doors		#DIV/0!
32	Landscaping		#DIV/0!
33	Permits		#DIV/0!
34	Other:		#DIV/0!
35	Other:		#DIV/0!
36	<b>Total Construction:</b>	\$0	#DIV/0!
37			0
38			
39			
40	<b>Energy Efficiency Improvements</b>		
41	House insulation <i>upgrades</i>		#DIV/0!
42	Windows		#DIV/0!
43	HVAC		#DIV/0!
44	Blower Door Test		#DIV/0!
45	House energy monitor		#DIV/0!
46	Ceiling Fans		#DIV/0!
47	Electrical: (motion, dimmers, bulbs, etc.)		#DIV/0!
48	Low Flow Plumbing Fixtures		#DIV/0!
49	Tankless water heater		#DIV/0!
50	Other		#DIV/0!
51	<b>Total Energy Efficiency Improvements:</b>	\$0	#DIV/0!
54			
55	<b>Appliance Allowance</b>		
56	Refrigerator		#DIV/0!
57	Range/Microwave Hood		#DIV/0!
58	Dishwasher		#DIV/0!
59	Garbage Disposal		#DIV/0!
60	Washer/Dryer		#DIV/0!
61	Garage Door Opener		#DIV/0!
62	Other		#DIV/0!
63	<b>Total Appliance Allowance</b>	\$0	#DIV/0!

**PROJECT DEVELOPMENT CASH FLOW**

	Total Budget	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>1 USES OF FUNDS</b>													
2 Predevelopment & Feasibility	\$0												
3 Acquisition	\$0												
4 Construction	\$0												
5 Professional Services	\$0												
6 Carrying & Construction Financing	\$0												
7 Permanent Financing & Syndication	\$0												
8 Reserves	\$0												
9 Developer Fee	\$0												
10 <b>SUB-TOTAL USES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>12 SOURCES OF FUNDS</b>													
13 Prior Month Ending Cash			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14													
15													
16													
17													
18													
19 <b>SUB-TOTAL SOURCES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 <b>Construction Loan</b>													
24 Construction Loan Calculation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Construction Loan Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 <b>TOTAL SOURCES</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 <b>Paydown Calculation</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 Construction Loan Paydown		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 <b>TOTAL USES</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 Ending Cash		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 <b>CONSTRUCTION LOAN INT &amp; BALANCES</b>													
33 Draw		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 (Loan Payoff)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 <b>Construction Loan Interest</b>	3.500%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 <b>Loan Balance prior to permanent financing</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 <b>Permanent Financing - Construction Loan Payoff</b>													



**PROJECT DEVELOPMENT CASH FLOW**

	Total Budget	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
<b>USES OF FUNDS</b>													
Predevelopment & Feasibility	\$0												
Acquisition	\$0												
Construction	\$0												
Professional Services	\$0												
Carrying & Construction Financing	\$0												
Permanent Financing & Syndication	\$0												
Reserves	\$0												
Developer Fee	\$0												
<b>SUB-TOTAL USES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SOURCES OF FUNDS</b>													
Prior Month Ending Cash		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SUB-TOTAL SOURCES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Loan</b>													
Construction Loan Calculation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL SOURCES</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Paydown Calculation</b>													
Construction Loan Paydown		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL USES</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Cash		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CONSTRUCTION LOAN INT &amp; BALANCES</b>													
Draw		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Loan Payoff)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Interest	3.500%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Balance prior to permanent financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Financing - Construction Loan Payoff													

**PROJECT DEVELOPMENT CASH FLOW**

	Total Budget	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
<b>USES OF FUNDS</b>													
Predevelopment & Feasibility	\$0												
Acquisition	\$0												
Construction	\$0												
Professional Services	\$0												
Carrying & Construction Financing	\$0												
Permanent Financing & Syndication	\$0												
Reserves	\$0												
Developer Fee	\$0												
<b>SUB-TOTAL USES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SOURCES OF FUNDS</b>													
Prior Month Ending Cash		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SUB-TOTAL SOURCES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Loan</b>													
Construction Loan Calculation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL SOURCES</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Paydown Calculation</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Paydown		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL USES</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Cash		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CONSTRUCTION LOAN INT &amp; BALANCES</b>													
Draw		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Loan Payoff)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Loan Interest</b>	3.500%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Loan Balance prior to permanent financing</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Permanent Financing - Construction Loan Payoff</b>													

**PROJECT DEVELOPMENT CASH FLOW**

<b>USES OF FUNDS</b>	<b>Total Budget</b>	<b>Month 37</b>	<b>Month 38</b>	<b>Month 39</b>	<b>Month 40</b>	<b>Trial</b>		
						<b>Total</b>	<b>Balance</b>	<b>Variance</b>
Predevelopment & Feasibility	\$0					\$0	Balanced	\$0.00
Acquisition	\$0					\$0	Balanced	\$0.00
Construction	\$0					\$0	Balanced	\$0.00
Professional Services	\$0					\$0	Balanced	\$0.00
Carrying & Construction Financing	\$0					\$0	Balanced	\$0.00
Permanent Financing & Syndication	\$0					\$0	Balanced	\$0.00
Reserves	\$0					\$0	Balanced	\$0.00
Developer Fee	\$0					\$0	Balanced	\$0.00
<b>SUB-TOTAL USES</b>	\$0	\$0	\$0	\$0	\$0			
<b>SOURCES OF FUNDS</b>								
Prior Month Ending Cash		\$0	\$0	\$0	\$0			
						\$0	#VALUE!	#VALUE!
						\$0	#VALUE!	#VALUE!
						\$0	#VALUE!	#VALUE!
						\$0	#VALUE!	#VALUE!
						\$0	#VALUE!	#VALUE!
<b>SUB-TOTAL SOURCES</b>	\$0	\$0	\$0	\$0	\$0			
<b>Construction Loan</b>								
Construction Loan Calculation		\$0	\$0	\$0	\$0			
Construction Loan Draw	\$0	\$0	\$0	\$0	\$0			
<b>TOTAL SOURCES</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			
<b>Paydown Calculation</b>								
Construction Loan Paydown		\$0	\$0	\$0	\$0			
<b>TOTAL USES</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			
Ending Cash		\$0	\$0	\$0	\$0			
<b>CONSTRUCTION LOAN INT &amp; BALANCES</b>								
Draw		\$0	\$0	\$0	\$0			
(Loan Payoff)		\$0	\$0	\$0	\$0			
<b>Construction Loan Interest</b>	3.500%	\$0	\$0	\$0	\$0			
<b>Loan Balance prior to permanent financing</b>	\$0	\$0	\$0	\$0	\$0	<b>Total</b>	<b>\$0</b>	
<b>Permanent Financing - Construction Loan Payoff</b>								