



## CITY OF STOCKTON

### NOTICE OF FUNDING AVAILABILITY/APPLICATION FOR AFFORDABLE HOUSING PROJECTS

Deadline for Submitting Applications:  
**5:00 PM, Thursday, September 29, 2016**

Submit to:  
**Economic Development Department**

Hand delivery suggested. Please deliver to:  
**400 E. Main Street, 4<sup>th</sup> Floor  
Stockton, CA**

If mailed, please mail to:  
**425 North N. El Dorado Street  
Stockton, CA 95202**

E-mailed or faxed copies, proposals received after the  
deadline regardless of postmarked date, or  
applications submitted without all of the required  
attachments will not be accepted

*For more information contact Housing staff at (209) 937-8539.*





The City of Stockton offers gap financing for new construction and rehabilitation activities that result in the provision of housing affordable to households with incomes at or below 80 percent of the Area Median Income (AMI). This packet includes the application form to request financial assistance for these types of projects. All proposals must utilize this application to be considered for funding from the City.

The financing will primarily be provided with HOME Investment Partnerships Program (HOME) funds that the City receives from the U.S. Department of Housing and Urban Development (HUD), but will also include other sources, including former redevelopment agency funding. Up to \$2.5 million could be allocated through this application process, but is not guaranteed. Projects financed with these funds are required to carry affordability restrictions and conform to program regulations.

To be considered for funding, all sections of this application, including attachments and exhibits, must be complete and accurate. No facsimiles, e-mailed, or incomplete applications will be accepted.

## ELIGIBLE ACTIVITIES AND PROGRAM REQUIREMENTS

*The requested funds may be used for the acquisition, rehabilitation, and new construction of rental or ownership housing. If a project receives funding, it must use the funding for an eligible activity and meet the following program requirements:*

**A. Eligible Property Types** (may be publicly or privately owned)

1. Single family housing, including condominium units
2. Two-to-four unit dwellings
3. Multi-family properties, which may include one or more buildings on a single site, or scattered sites under common ownership, management and financing

**B. Ineligible Property Types**

1. Properties previously financed with HOME cannot receive additional HOME assistance during the affordability period unless assistance is provided during the first year after project completion.

**C. Eligible Project Costs**

1. Acquisition Costs – including acquisition of land for a specific project or acquisition of existing structures
2. Hard Costs – the actual costs of constructing or rehabilitating housing, including demolition and on-site improvements
3. Related Soft Costs – including architectural, engineering or related professional services, costs to process financing, project audit costs, costs to provide information services such as affirmative marketing and fair housing information, cost of funding an initial operating deficit reserve, and cost of impact fees

**D. Required Deadlines**

1. Project must begin within one year from contract date.
2. Project must be completed within four years from the contract date.
3. For rental housing, all HOME-units must be occupied by income-eligible households within six months of project completion. If units are not occupied within six months, marketing information, and if appropriate, a marketing plan must be submitted. All HOME-assisted units must be occupied within eighteen months from completion or HOME funds must be repaid.
4. For homebuyer projects, all HOME-units must be sold to eligible homebuyers within nine months of the date of completion of the construction or rehabilitation. If there is no sales contract within nine months, the home must be rented to an eligible tenant or the HOME funds must be repaid.

**E. Minimum Occupancy Requirements.**

1. All assisted units must be occupied by low-income households (80 percent of Area Median Income).
2. At initial occupancy, a minimum of 90 percent of HOME-assisted rental units must be occupied by household with incomes less than or equal to 60 percent of AMI.
3. In projects with five or more HOME-assisted rental units, at least twenty percent of the HOME-assisted units must be occupied by households with incomes less than or equal to 50 percent of AMI.

**F. Minimum Required Term of Affordability**

The minimum required term of affordability for new construction or acquisition of new rental housing is twenty years. For other projects, the affordability period depends on the amount of assistance provided, however, for multi-family projects the period is often 55 years. If assistance is:

- Less than or equal to \$15,000/unit, the minimum required affordability period is five years.
- Greater than \$15,000 but less than \$40,000/unit, the minimum required affordability period is 10 years
- Greater than \$40,000/unit, minimum required affordability period is fifteen years.

**G. Affordability Requirements**

Rent restrictions will be applied throughout the period of affordability.

**H. Deed Restrictions**

Occupancy and rent requirements will be enforced through a written agreement and the use of recorded deed restrictions on the property.

## HOUSING PLANS

### ***Consistency with Housing Plans***

*Applications must explain how the project addresses and/or incorporates the Goals and Policies of the City's Housing Element and Consolidated Plan, some of which are identified below. Compatibility with the goals and policies will be used to evaluate and rank projects. In addition, projects must meet all zoning and building code requirements.*

- The City shall encourage residential densities at the high end of the allowable density range to make more efficient use of land and public facilities and services and to provide more affordable housing opportunities for all residents. (HE-2.1)
- The City shall encourage the development of mixed-use residential-office and residential-retail projects. (HE-2.2)
- The City shall encourage and provide opportunities for a variety of housing types (e.g., second units, live-work units, zero-lot lines) that provide market-rate and affordable housing opportunities and promote balanced mixed-income neighborhoods. (HE-2.3)
- The City shall promote quality design and appearance of all new multi-family and affordable housing projects consistent with the City's adopted Design Guidelines so they blend in with the existing community fabric, add value to the community's built environment, and strengthen acceptance by the local community. (HE-2.4)
- The City shall encourage the development of multifamily housing within the city to provide a variety of housing types for all income groups. (HE-2.7)
- The City shall continue to collaborate with public agencies and private and non-profit entities to access State and Federal funding to provide housing to lower- and moderate-income households. (HE-3.2)
- The City shall encourage the provision of units available for sale or rent to lower- and moderate-income households. (HE-3.4)
- The City shall encourage the integration of sites for affordable housing throughout the residentially-designated areas of the city and avoid concentration of low-income housing units. (HE-3.5)
- The City shall encourage mixed income developments to create more economically diverse neighborhoods. (HE-3.6)
- The City shall encourage maintenance, repair, and rehabilitation of existing owner-occupied, rental, and affordable housing to prevent deterioration of housing and ensure housing is safe and sanitary. (HE-6.3)

- The City shall encourage the development of single family and multi-family housing affordable to large households. (HE-7.4)
- The City shall ensure equal access to housing by providing reasonable accommodation for individuals with disabilities. (HE-7.7)
- The City shall work with San Joaquin County in efforts to increase the availability of safe, sound, and affordable housing for farmworkers. (HE-7.8)
- The City shall promote energy conservation and waste reduction in residential site planning, design, and construction. (HE-9.1)

*In addition to the policies identified above, applications will be reviewed to determine the levels that they address and/or incorporate the following.*

- Leveraging of City funds with other local, private, state, and/or federal funding resources.
- Readiness to proceed, including site control, environmental clearance, preliminary design, or financing that is identified and/or secured. **Projects must demonstrate that they can begin construction within one year of receiving the commitment of funds.**
- Ability to generate additional revitalization or investment in Stockton's neighborhoods, assist in the implementation of, or are coordinated with, other City or neighborhood initiatives, instill community pride, and effect positive changes in the surrounding project area.
- Mixed-use and mixed-income projects that encourage economic integration of neighborhoods.
- Adaptive re-use of existing buildings.
- Rehabilitation projects that preserve currently subsidized units.
- Development near major transportation corridors or within ¼ mile of an existing transit stop.
- Creation of local jobs and/or provides training or education for local workers.
- Proximity to, or inclusion of, amenities such as grocery stores, banking facilities, or farmers' markets.

## APPLICATION SCORING PROCESS

Economic Development Department staff will perform a technical review of proposals for completeness, eligibility, and feasibility. If the application is incomplete or ineligible, it will not be considered for further review and/or funding. Only applications that meet all program criteria and that are complete will proceed through the City's application review process.

Complete applications will be reviewed by a committee, which will consider four equally weighted criteria, which are:

- (1) Project Readiness
- (2) Leveraging (amount of non-City funding in the project)
- (3) Capacity and experience of developer/team
- (4) Conformance with Housing Policies (those policies identified on Pages 3 and 4 and evaluated in Section 3 of the application)

The committee's recommendations will be forwarded to the City Council, which will make the final funding determinations.

## OTHER INFORMATION

Section 3 Business Concerns, Minority, Disadvantaged and/or Women-Owned Business Enterprises are encouraged to apply.

Submitting an application does not guarantee funding. The City reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this application process. If such an action occurs, the City will notify all interested parties.

The cost of preparing proposals to the City shall be borne by the applicant and shall not be reimbursed by the City. Applications received by the City will not be returned.

Applications **must be received by 5:00 p.m., Thursday, September 29, 2016**. Applications must be delivered, as instructed below. E-mailed or facsimiles will not be accepted. **Mail or deliver one original and two copies of your completed application(s) to the City of Stockton Economic Development Department.**

If hand delivered, deliver to 400 East Main Street, 4<sup>th</sup> Floor, Stockton, CA

If mailed, mail to 425 North El Dorado Street, Stockton, CA 95202

For program information or application assistance, contact:

Lorre Islas

209-937-8075

lorraine.islas@stocktonca.gov

Applications are available on-line at the following web address:

<http://www.stocktonca.gov/housing>

**SECTION 1  
PROJECT SUMMARY****1.1 Applicant**

Organization Name: \_\_\_\_\_

Address: \_\_\_\_\_

Federal Tax I.D. Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

Stockton Business License Number: \_\_\_\_\_

Organization Type: \_\_\_\_\_

Is the Organization (answer yes or no to each):

A Minority Business Enterprise \_\_\_\_\_

A Women Business Enterprise \_\_\_\_\_

A Section 3 Business \_\_\_\_\_

A certified Community Housing Development Organization? \_\_\_\_\_

Executive Director Name: \_\_\_\_\_

Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Project Contact Name: \_\_\_\_\_

Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**1.2 Activity**

Project Name: \_\_\_\_\_

Project Address or Location: \_\_\_\_\_

Assessor Parcel Number(s): \_\_\_\_\_

Proposed Project Activities (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Acquisition                      | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Rehabilitation                   | <input type="checkbox"/> Other _____      |
| <input type="checkbox"/> Preservation of Affordable Units |   |

Ownership Status: \_\_\_\_\_

### 1.3 Proposed Number of Units By Bedroom Count and Income

| % Median Income   | Studio | One Bedroom | Two Bedroom | Three Bedroom | Four Bedroom | Five Bedroom | Totals |
|-------------------|--------|-------------|-------------|---------------|--------------|--------------|--------|
| 30%               |        |             |             |               |              |              |        |
| 50%               |        |             |             |               |              |              |        |
| 60%               |        |             |             |               |              |              |        |
| 80%               |        |             |             |               |              |              |        |
| Over 80%          |        |             |             |               |              |              |        |
| Manager's Unit(s) |        |             |             |               |              |              |        |
| <b>Total</b>      |        |             |             |               |              |              |        |

### 1.4 Target Populations

Identify any Special Needs Populations proposed to be served by the project:

Population \_\_\_\_\_ Number of units \_\_\_\_\_

### 1.5 Funding Sources and Development Cost

Total project cost \$ \_\_\_\_\_

Amount of City funding requested \$ \_\_\_\_\_

Proposed Use of City Funds (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Acquisition    | <input type="checkbox"/> Pre-development  |
| <input type="checkbox"/> Rehabilitation | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Other _____    |   |

| FUNDING SOURCES      |                         |                          |                      |
|----------------------|-------------------------|--------------------------|----------------------|
| Source (Insert Name) | Proposed Funding Amount | Committed Funding Amount | Total Funding Amount |
|                      |                         |                          |                      |
|                      |                         |                          |                      |
|                      |                         |                          |                      |
|                      |                         |                          |                      |
|                      |                         |                          |                      |
|                      |                         |                          |                      |
| City funds           |                         |                          |                      |
| <b>Total</b>         |                         |                          |                      |

| <b>DEVELOPMENT COSTS</b>                 |  |
|--|--|
| <b>ACQUISITION COSTS</b>                 |  |
| Land                                     |  |
| Building                                 |  |
| <b>TOTAL ACQUISITION</b>                 |  |
|  |  |
| <b>GENERAL DEVELOPMENT COSTS</b>         |  |
| Demolition & Abatement                   |  |
| Unit Construction                        |  |
| Site Improvements/Landscape              |  |
| Off-Site Improvements                    |  |
| Contractor General Requirements/Overhead |  |
| Construction Contingency                 |  |
| Local Permits/Fees                       |  |
| Phase I/Asbestos/Toxics                  |  |
| Architecture                             |  |
| Survey/Engineering/Soils/Landscape Arch. |  |
| Appraisal/Market Study                   |  |
| Title/Recording/Escrow                   |  |
| Relocation Costs                         |  |
| Construction Loan Expenses/Fees/Interest |  |
| Permanent Loan Fees                      |  |
| Insurance During Construction            |  |
| Soft Cost Contingency                    |  |
| Legal                                    |  |
| Audit                                    |  |
| Capitalized Operating Reserve            |  |
| Marketing Account                        |  |
| Developer Fee                            |  |
| Other: Specify                           |  |
|  |  |
| <b>TOTAL DEVELOPMENT COST</b>            |  |
|  |  |
| <b>TOTAL PROJECT COST</b>                |  |

**1.6 Original Signature of Authorized Official**

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

Title: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

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

**PLEASE RETURN ONE (1) ORIGINAL UNBOUND APPLICATION AND TWO (2) COPIES ALONG WITH THE REQUIRED ATTACHMENTS**

## SECTION 1 PROJECT SUMMARY INSTRUCTIONS

### 1.1 Eligible Applicant

- Organization Name: Provide the full, legal name of your organization as it is shown by the Secretary of State in your incorporation documents.
- Address: Provide the mailing address of your organization.
- Federal Tax I.D. and DUNS Number: Provide the organizations Federal Tax I.D. and Dun and Bradstreet Data Universal Numbering System numbers.
- Stockton Business License: Provide your current Stockton Business License number.
- Organization Type: Provide organization type (e.g., local government, Housing Authority, Non-Profit, Community Housing Development Organization).
- MBE/WBE, Section 3 Business, CHDOs: Identify whether your organization is a MBE, WBE, Section 3 Business, or a certified Community Housing Development Organization (CHDO)
- Executive Director Name: Provide name of the head of your organization, such as executive director, CEO, etc., and their telephone number and e-mail address.
- Project Contact Person: Provide the name of the contact person for this project and their telephone and e-mail address.

### 1.2 Activity

- Project Name: Provide the full name of your project. Make sure this is the same project name that you use on applications to other funders.
- Project Address or Location: Provide the street address of the project or the legal description of the property if there is not currently a street address.
- Assessor Parcel Number(s): Provide the Assessor Parcel Number(s) (APN) of the project site.
- Project Activities: Check all that apply.
- Ownership Status: Provide current ownership status. If property is in escrow, provide an estimated closing date.

### 1.3 Proposed Number of Units Per Size and Income Level

Enter the number of proposed units by size for each income level to be served. Any resident manager unit(s) must be identified separately.

### 1.4 Target Populations

Identify any Special Needs Populations that are proposed to be served and the number of units that will be provided.

### 1.5 Funding Sources and Total Development Costs

- City Funds Requested: Provide total amount of funds being requested from the City.
- Proposed Use of City Funds: Check all that apply.
- Funding Sources: List all proposed sources of funding, the amount proposed for each source, and the amount of the funds that are committed or conditionally committed at the time of the application.
- Development Costs: Enter total project costs.

### 1.6 Original Signature of Authorized Official

Provide original signature, printed name of signer, signer's title, and date of signature.

## **SECTION 2 PROJECT DESCRIPTION**

(Please limit narrative to two pages)

Provide a complete, but succinct, description of the *project activity* and the *population to be served*. Include the following:

- Describe the property to be acquired, constructed, and/or rehabilitated. Include a physical description of the planned project that includes the size, number of stories, type of construction, layout of the buildings, and any other unique features of this particular project and target population.
- If the project includes existing buildings, give the original date of construction.
- If your organization already owns the project and/or project site, when did your organization purchase it?
- Provide a detailed description of any planned construction, rehabilitation, or other site improvements, including project design elements.
- If your project includes rehabilitation, explain why rehabilitation is preferred over new construction. Also include an estimate of the remaining useful life of major systems, based on age and condition. For rehabilitation projects with 26 or more units, this must be done with a capital needs assessment.
- Provide a description of the type of households to be served, including information such as the number of tenants, the size and description of the households, and known special characteristics of tenants (e.g., age, disabilities, special needs, etc.). Also include a description of the living arrangement (e.g., individual apartments, shared housing with onsite management, etc.).
- Describe the location of the project and its surrounding neighborhood. Include a discussion of transportation options, nearby services, etc.

Additionally, list design features and material specifications that accomplish the following:

- Promote the health and safety of the residents.
- Make the project more durable/sustainable over its lifetime.
- Minimize the use of resources in either construction or operation of the building.
- Increase affordability for residents who will pay at least a portion of their utility bill. These items should be shown in the construction cost estimate.
- Explain why the chosen design features are responsive to the housing needs of the target population.

### **Site Pictures**

Provide color pictures of the project site.

### **SECTION 3 MEETING PROGRAM PRIORITIES**

(Please limit narrative to two pages)

Provide a description of how your project meets the housing policies and program priorities identified on Pages 3 and 4 of this application.

### **SECTION 4 SITE AND PROJECT READINESS**

(Please limit narrative to two pages)

Provide a description of the site and discuss any issues of site control, zoning, special permits, and environmental hazards and how they can be resolved in a timely manner. Please identify and/or include the following:

- Documentation of site control, or discussion of status.
- Status of: 1) architectural plans, 2) design, and 3) project financing and how they contribute to the timeliness of the proposed schedule.
- A description of all proposed and firm financing sources and a plan for obtaining additional financing.
- If available, provide an architect's rendering of the project, photos of the proposed or comparable project(s), and/or preliminary drawings.
- Zoning for the site and if the proposed project is consistent with existing zoning requirements. Identify any approvals, other than Building Permits, that are required for the project. If the project is not consistent with zoning, describe the steps you have taken to alleviate the inconsistency. Ensure critical decision points are included in the Project Schedule.
- Issues or hazards, man-made or natural, associated with the site that will affect its development and/or use for housing. Include a discussion of any recommendations for mitigation of existing conditions noted in the Phase I Environmental Assessment (if available). For projects that include rehabilitation, describe what studies have been completed and any recommendations for abatement of asbestos, lead paint, or mold noted in a Hazardous Material Survey.



## **SECTION 6 TENANT RELOCATION PLAN**

(Please limit narrative to one page)

Applicants should carefully consider how their development may be impacted by the Uniform Relocation Act (“URA”) before making the final decision to apply for City funds or to obtain site control of a given property. Relocation benefits are triggered under the URA when a resident is displaced permanently or temporarily.

In cases in which a proposed development site is either partially or fully occupied, estimates of relocation costs need to be included in the application. If the project is approved for funding, a relocation plan will need to be prepared and approved by the City Council before a Notice to Proceed is issued by the City.

If relocation activities are not necessary, proceed to the next section. If they will be necessary, describe the process proposed to be used for relocation, either permanent or temporary, an estimate of the costs, and how these activities will be funded. The preparation of the Tenant Relocation Plan should be included in the Project Schedule.

## **SECTION 7 EXPERIENCE OF APPLICANT/DEVELOPMENT TEAM**

(Please limit narrative to one page)

The applicant must demonstrate that the skills and experience of the development team are appropriate to the size and complexity of the project.

- Describe your organization’s experience and capacity to develop the type of housing you are proposing.
- Describe the applicants experience with the utilization of HOME or CHDO funds or other public funding.
- List key development team members and their roles. Include key consultants such as legal counsel, architects, engineers, planners, etc., and their qualifications. Resumes may be requested during review of the application.
- Identify the person or persons with the authority to represent and make legal binding commitments on behalf of the applicant.
- Identify any legal action, bankruptcies, or lawsuits currently involving your organization.
- Complete Form 7. Include projects completed, under development, and all property held by your company and all primary principals, owners, board members, and/or development consultants of your agency. Please note that the current condition of completed projects may affect funding recommendations.

**FORM 7  
PROJECTS COMPLETED, UNDER DEVELOPMENT AND PROPERTIES HELD**

| <b>COMPLETED PROJECTS*</b> |                 |                   |                       |                           |                             |
|----------------------------|-----------------|-------------------|-----------------------|---------------------------|-----------------------------|
| <b>Project Name</b>        | <b>Location</b> | <b># of Units</b> | <b>Year Completed</b> | <b>Total Project Cost</b> | <b>Sources of Financing</b> |
|                            |                 |                   |                       |                           |                             |
|                            |                 |                   |                       |                           |                             |
|                            |                 |                   |                       |                           |                             |
|                            |                 |                   |                       |                           |                             |
|                            |                 |                   |                       |                           |                             |

\*Add additional tables if necessary

**SECTION 8  
ADDITIONAL INFORMATION**

Please provide the following:

- Development and operating proformas
- Market Study (if available)