

Economic Development Department

Bridge to Home Notice of Funding Availability Round Three

Promise Zone
Housing Affordability Working
Group
August 24, 2023

Solicitation Schedule

Pre-submittal Meeting (non-mandatory)	August 25, 2023 10:00 am
Question and Comments Due up to	September 1, 2023
Applications Accepted no later than	October 6, 2023, 5:00 pm
Application Review	October 2023
Interviews of Shortlisted Teams	October 2023
Notice to Successful Applicants	October – November 2023
City Loan Agreement Finalizing	Beginning in December 2023 – June 2024
City Council Consideration	March – June 2024

Project Goals – City Objectives

- Increase and preserve affordable housing stock \leq 80% AMI
- Assist persons experiencing or at risk of homelessness
- Maximize quality unit production with limited resources
- Leverage City resources with other funding sources
- Revitalize neighborhoods and catalyze neighborhood improvement
- Invest in neighborhood amenities, provide positive economic impact
- Continue to implement current incentive programs
- Focus housing in areas well served by transit
- Support opportunities for affordable onsite childcare

Project Eligibility

- Mixed-income projects eligible, however only the affordable housing component eligible for NOFA funding
- Priority to projects requesting less than \$100,000/unit
- Site Control
- Completion within 36 months or less
- Prevailing Wages



Project Eligibility – Summary Funding Source Requirements

USES	\$1M LMIHAF	\$9M PLHA	\$9M CDBG	\$1.229M HOME
New construction	X	X		X
Acquisition		X	X	X
Rehabilitation		X		X
Demo/Site Clearance (includes Environmental)	X			
Relocation during rehabilitation				
Site Improvements	X	X		
Removal of Lead-based Paint/hazardous materials		X		

LMIHAF Requirements

- New construction
- NOFA Exhibit A California Redevelopment Law (CRL) Income and Rents
- 60% TCAC = 80% CRL
- 30% AMI Households (CRL) – At least 30% of total subsidized units
- 60-80% AMI Households (CRL) – No more than 20% of total subsidized units

PLHA Requirements

- New Construction or Acquisition/Rehabilitation
- Transitional or Permanent Supportive Housing
- Homeless or at risk of homelessness
- 60% AMI or less

CDBG Requirements

CDBG Eligible Housing Activities

Acquisition price only

“Category” eligible Activity falls under

To Support Construction/Housing Rehab

- Result in rental units for 80% AMI or less households
- New Construction or Rehabilitation

CDBG Requirements

2 C.F.R. Part 200 and 24 C.F.R § 570

- Only Eligible for Non-Profit Entities
- Uniform Building Code
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- Section 3
- Funds used within 24 months
- Cannot increase number of onsite units, can increase number of bedrooms
- Davis Bacon Prevailing Wages

HOME Funds

24 C.F.R § 92

- Non-Profit or For-Profit Entities
- Uniform Building Code
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- Section 3
- Funds used within 24 months
- Cannot increase number of onsite units, can increase number of bedrooms
- New Construction, Acquisition or Rehabilitation activities eligible
- Davis Bacon Prevailing Wages

Evaluation Criteria – Financial Feasibility and Proforma

- \$100,000 per unit or less & eligible uses of requested funds
- Proforma includes transparency of underwriting and feasibility of assumptions
- Leveraged financing with public and private funding sources
- Cash flow will meet all debt service and operational expenses for 20 years

The City may cap the total amount awarded to any one development, to be determined based upon demand and the available funds.

Evaluation Criteria – Project Approach and Concept

- Complete entitlements, or timeline and probability of obtaining approvals
- Overall project concepts, layout, neighborhood enhancement, sustainable elements and green certification
- Number of affordable units, AMI levels, target populations, transitional or PSH plans
- Includes PSH units
- Evidence of site control
- Extent to which project meets or maximizes base density
- Location near transit, within TPA, near amenities, neighborhood services
- Location within federally designated Promise Zone and Opportunity Zone
- Project readiness, and delivery within 3 years

Evaluation Criteria – Community Support & Benefits

- Agreement to comply with the City's EEO Program
- Commitment to make meaningful and wide-range sub-contracting and employment opportunities available to all interested and qualified firms and individuals on this project,
- Demonstrated support and intention to include firms with local expertise and opportunities to participate in the development process;
- Other community benefits based on proposed project uses;
- Community outreach plan to solicit neighborhood input.

Evaluation Criteria Bonus Points

Teaming with Emerging Developers

Small or emerging development team partners or property owners from either the City's RFQ list of such firms or developer's selected firm that would be considered small or emerging according to City's RFQ requirements.

List available on the Bridge to Home website

<https://www.sandiego.gov/economic-development/bridge-to-home>

Onsite Day Care

Space for onsite day care, with preference for serving children birth through age five

Letter from childcare providers, or included team members

Details on space, and who will manage the tenant improvements



A Community Win-Win: Co-locating Child Care with Affordable Housing in San Diego County

This guide seeks to demystify the child care sector for housing developers, identifying resources, technical supports, and possible solutions to pain points in efforts to co-locate.

It is the product of an extensive, San Diego-specific stakeholder engagement and interview process and is meant to be a companion to bold, collective efforts to fulfill our region's promise to future generations of families and children.

**CH:LDREN F:IRST
COLLECTiVE
SAN D:EGO**



Typical Scenarios and Partnerships

Co-location can occur with **child care centers** or **home-based providers**.

Typical partnerships with centers:

1. New construction of housing and child care together
2. Preservation or rehabilitation of an existing building (physical building or affordability period)
3. Tenant improvements to an existing space

Typical partnerships with FCCHs:

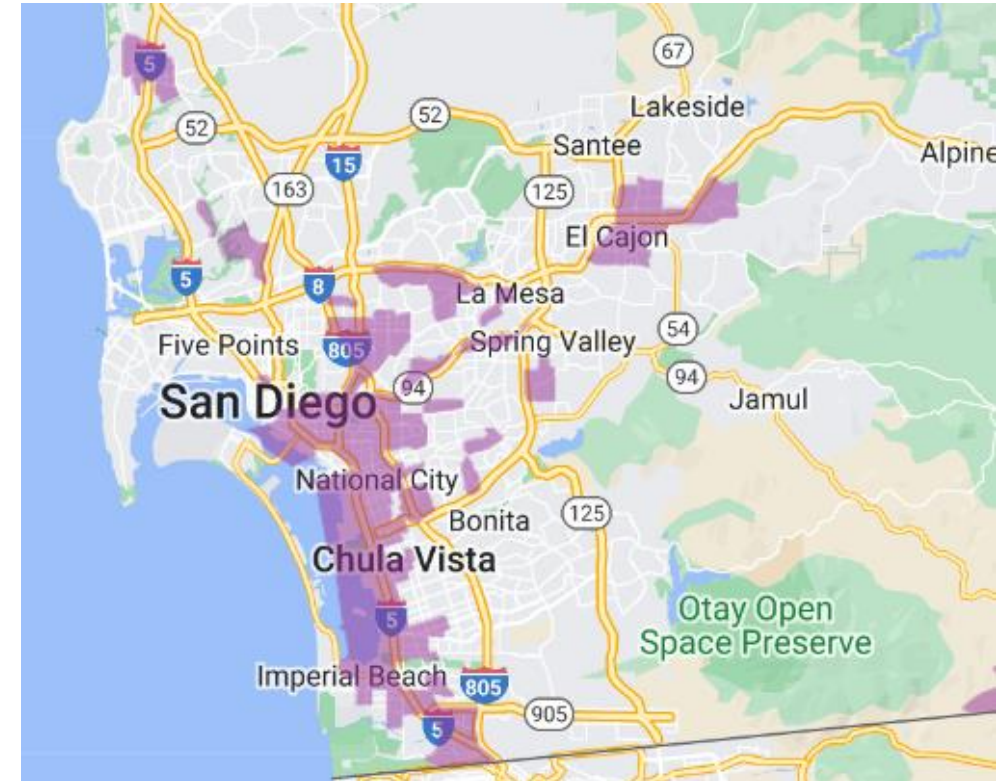
1. Intentionally designed units for income-eligible providers
2. Recruitment of existing tenants and support through licensing/start-up

Co-Locating with Child Care Centers

Typical Financing Structures

- 1. Community Service Facility:** Low Income Housing Tax Credit (LIHTC) developments in Qualified Census Tracts (QCTs) can use some housing resources for ECE build-out
- 2. Rentable Commercial Space:** Underwrite as standard commercial tenant and include some costs of shell in LIHTC basis
- 3. Condominium Structure:** Legally separate the ECE facility and look for development funding elsewhere

Map of Qualified Census Tracts in San Diego County, 2023



See full interactive mapping tool from HUD Policy & Research here:

https://www.huduser.gov/portal/sadda/sadda_qct.html

Co-Locating with Child Care Centers

Additional Considerations and Best Practices

Indoor Square Feet Needed Per Child for Child Care Centers Co-Located with Affordable Housing

Quality Level	Primary Activity Space			Secondary Activity Space			Adult and Common Space	Non-assignable Space	Total Building Square Footage		
	All	Infant	Toddler	Pre-K	All	All			Infant	Toddler	Pre-K
Minimum	35	50	23	20	15	17.5 (25%)	117.5	90.5	87.5		
Workable	42	50	23	20	18	20 (25%)	130	103	100		
Better	46	50	23	20	22	26 (30%)	144	117	114		
Best	50	52	25	22	24	29 (30%)	155	128	125		

*To set a child care program up for success, aim for at least 100 square feet of indoor commercial space and about 75 square feet of outdoor space per child. **This means a moderately sized center designed to accommodate 75 children would need at least 7,500 square feet of indoor space and 1,876* square feet of outdoor space, plus room for sufficient employee parking and child drop-off.***

Check out the report @ sdchildrenfirst.org!



Contact Information

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Report available at:

www.sdchildrenfirst.org



Call to Action

- Attend Pre-Submittal Meeting tomorrow to learn more
- Consider applying to RFQ if small/emerging developer
- Make a commitment to share the information for those in your network who are affordable housing developers or service providers

Economic Development Department

Thank
You!