



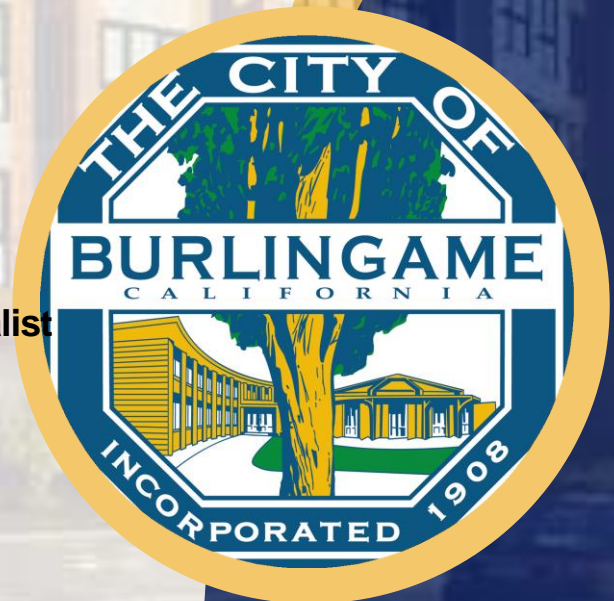
AFFORDABLE HOUSING FUNDS NOTICE OF FUNDING AVAILABILITY

CONTACT US

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OVERVIEW

The City of Burlingame is announcing the availability of local funds for affordable housing projects in Burlingame (the “Program”). The funding will be provided as part of an ongoing program, and projects will be reviewed as they are received. The Affordable Housing Funds Notice of Funding Availability (NOFA) is intended to support City Council allocation of any available funds in FY2025-26 and FY2026-27. **There is no deadline to apply under this NOFA but please check with the City before applying to confirm the availability of funds.**

The City’s primary objectives for this NOFA are to:

- Create new affordable housing;
- Preserve existing affordable housing;
- Preserve properties occupied by low-income renters; and
- Preserve or create the greatest number of affordable housing units possible by funding projects with the lowest per unit subsidy cost to the City.

City staff will consider these objectives when evaluating Applications, as well as threshold eligibility requirements and project-specific criteria described in this document. Applicants are responsible for reviewing this NOFA and all relevant exhibits and attachments to ensure project eligibility and consistency with the above Program objectives. Applicants should seek additional funds to minimize the cost to the City of Burlingame.

The City is seeking Applications that demonstrate:

- An understanding of the community, the unique attributes, and opportunities of the neighborhood where the project would be located;
- Experience successfully developing, preserving, and/or managing affordable housing; and
- Commitment to and experience in managing public participation processes.

A. Eligibility Requirements

1. Eligible Applicants

Eligible applicants may submit one or more Applications under this Affordable Housing Funds NOFA.

Organization Type - Eligible applicants include for-profit or nonprofit corporations, general or limited partnerships, joint ventures, joint powers authorities, or limited liability companies.

Experience - Applicants must have demonstrated experience and capacity in the management, preservation, and/or development of affordable housing. Applicants must

have experience and capacity in at least three projects. This experience may include ongoing management of affordable housing properties, management of affordable housing rehabilitation projects, and/or construction of new or conversion of existing buildings to produce affordable housing.

2. Eligible Costs

Costs eligible for City funds include any costs of the project, such as acquisition, hard costs, soft costs, developer fees, and reserves related to the development, preservation, or rehabilitation of projects, in accordance with the underwriting guidelines contained herein. Program funds may be used to pay off a bridge/acquisition loan for preservation projects acquired within six months of Application submission.

3. Eligible Projects

This NOFA intends to solicit a wide array of eligible project types, including but not limited to:

- New construction of affordable housing for rent or ownership, including mixed-use projects or mixed-income projects, providing up to 49% of the units affordable to lower-income households;
- New construction of affordable housing for rent or ownership, including mixed-use projects or mixed-income projects, providing up to 49% of the units affordable to lower-income households that incorporate space for onsite childcare facilities;
- Rehabilitation of existing affordable housing;
- Preservation of existing multi-family affordable housing nearing the end of affordability terms;
- Conversion of existing deed restricted units to deeper income affordability;
- Conversion of unrestricted units occupied by low-income tenants to income-restricted housing;
- Adaptive reuse/conversion of existing buildings into affordable housing, providing up to 49% of the units affordable to lower-income households;
- Acquisition of building or land to build or preserve affordable housing; and
- Affordable housing-related predevelopment activities.

Income limits for each category of affordability for the City of Burlingame and San Mateo County are as follows:

<u>Income Limits by Household Size (\$)</u>						
<u>Income Category</u>	<u>Household Size</u>					
<u>Income Category</u>	1	2	3	4	5	6
Extremely Low (30% AMI)	\$41,150	\$47,000	\$52,900	\$58,750	\$63,450	\$68,150
Very Low (50% AMI)	\$68,550	\$78,350	\$88,150	\$97,900	\$105,750	\$113,600
HOME Limit (60% AMI)	\$82,260	\$94,020	\$105,780	\$117,480	\$126,900	\$136,320

Low (80% AMI)	\$109,700	\$125,350	\$141,000	\$156,650	\$169,200	\$181,750
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Source: *County of San Mateo, Department of Housing, 2025 County Income Limits, April 30, 2025:*

<https://www.smcgov.org/media/154289/download?inline=>),

B. Funding

The source of funds for this NOFA are generated by private market development through the payment of residential impact fees and/or commercial linkage fees, held in the City of Burlingame's Affordable Housing Fund. As such, the availability of funds may vary over time, and there is no guarantee that funds will be available to fully fund a project request.

Long-term financing is generally available in the form of a 55-year loan, depending on the circumstances of the project's financial need and other funding sources. The loan must be secured by a promissory note and deed of trust, and a regulatory agreement securing project affordability. Loans will be residual receipts notes and require a split of residual receipts between the project sponsor, the City, and other lenders, if any.

C. Required Project Information and Selection Process

City staff cannot approach the City Council to request an award of funds until the Application is complete and it has been reviewed for eligibility and determined whether it meets the criteria set forth herein. Given that applicants may face circumstances where they cannot produce certain documentation (for example, the developer does not yet have sufficient site control to complete a property needs assessment), prospective applicants are encouraged to meet with City staff prior to Application so that City staff can provide guidance.

Funding Applications will be reviewed on a first-come, first-served basis. All projects that meet the minimum criteria below will be eligible for funding. If multiple projects have applied within a 60 day period, projects that meet the threshold will be scored against each other (see Evaluation Criteria). The City will use the Evaluation Criteria to score eligible projects to determine the priority for awarding funds.

D. Minimum Criteria for Evaluation (Applicable to All Projects)

1. The Application must be complete.
2. The funding request must be within the amount available (at the time of the request).
3. The Application must meet the Program requirements.
4. The applicant must meet the eligible applicant, project, and cost criteria as outlined in Section A.
5. All projects must meet the underwriting criteria outlined in Section F.

6. Applicants with existing City loans must be in good standing with the City's annual monitoring requirements.
7. Applicants must have site control. A purchase and sale agreement, option, disposition and development agreement, exclusive negotiating agreement, or grant deed are acceptable forms of evidence of site control. Applicants with only an offer to purchase may be considered for funding, but final approval is contingent upon having site control as defined above.
8. Requested funds must fill a financing gap or pay off short-term financing, such as a bridge loan or acquisition loan. The project must not already be fully funded with permanent financing, and the City funds cannot replace other permanent funding on the project. Exceptions to this rule will be made only when a permanent funding source is no longer financially viable.
9. Applicants must be in compliance with all local, state, and federal laws.

The Affordable Housing Funds NOFA Application instructions, Application form, and other Application supporting materials are designed to assist the City Council in determining whether to award funding. The materials should describe how each project would meet City goals and priorities for affordable housing in Burlingame.

More information on the City's affordable housing needs can be found online at the Burlingame Housing Element Page, located at <https://www.burlingame.org/268/Housing-Element>.

Staff will review all Applications for completeness and verify that the applicant and project are eligible. Applicants may be requested to provide additional information or tours of similar projects in their portfolio. Staff will score Applications and make funding recommendations to the City Council for consideration. The City Council will be the final decisionmaker on all Applications.

E. City Underwriting Guidelines

Affordable Housing Funds Program Loan Underwriting Guidelines	
Item	Requirement
Loan Term	55 Years
Interest	3% annual simple interest, paid from residual receipts.
Regulatory Term	55 years from the Certificate of Occupancy for new construction or upon the closing of financing for preservation projects.

Income Limits	Up to 80% Area Median Income (AMI). Refer to the County website for current income limits https://www.smcgov.org/housing/income-limits-and-rent-payments
Maximum Rents (Including Utility Allowances)	Lower Income, as published by the County at https://www.smcgov.org/housing/income-limits-and-rent-payments
Utility Allowances	<p>Utility allowances, as published by the County of San Mateo (see https://www.smcgov.org/housing/utility-allowance-schedules) must be subtracted from gross rents for any utilities paid by tenants, to determine the actual rent paid by tenants.</p> <p>The developer must outline any monthly fees that may be charged to tenants. All required monthly fees must be included in the Utility Allowance. For projects within 0.5 miles of any existing high-quality transit corridor, parking fees can be excluded from the Utility Allowance if renting a parking space is not required.</p>
Rent Increases	Maximum rents published by the County (see above) or 5% annually, whichever is less.
City Monitoring Fee	Except where not allowed by law (AB2430) \$125/unit per year.
Developer Fee (new construction projects)	5% to 10% of total project costs, depending on project complexity and size. Any deferred developer fees may be paid after all required operating costs and asset management fees but prior to residual receipts payments.
Construction Management Fee (preservation projects)	5% to 10% of hard costs, depending on project complexity and size.
Replacement Reserves	<p>Replacement reserve funding covers the cost of all repairs needed through year 15 of the project as described in a Property Needs Assessment (PNA) prepared by a qualified third-party consultant.</p> <p>The reserve must include a 3% price escalator, if not included in the PNA.</p> <p>The reserve can be funded through an initial reserve deposit at acquisition or loan closing, or through annual deposits from cash flows (or a combination thereof). A minimum of \$500 per unit per year is required if the initial reserve</p>

	deposit does not cover 50% of the 15-year PNA cost.
Capitalized Operating Reserves	Minimum 3 months' expenses, including: hard debt, monitoring fees, and replacement reserves.
Vacancy Loss Percentage	Minimum 5% for residential units and 20% for any commercial space.
Debt Coverage Ratio	1.15, except for the purchase/restriction of existing units, which may have a DCR of 1.1 over the first two years of the project and 1.15 thereafter.
Subsidy Limit	\$300,000/unit
Asset Management Fee	Lesser of \$1,000/unit per year or \$25,000/year with a 3.5% escalator.
Subordination	<p>The City will subordinate its deed of trust to public and private lenders that require it as a condition of funding.</p> <p>City will not subordinate its regulatory agreement to any deed of trust but will subordinate its regulatory agreement to a senior lender's regulatory agreement.</p>
Insurance	See Exhibit A
Hard Cost Contingency	At least 10% of hard costs, including general requirements, overhead, profit, and contractor's contingency.
Soft Cost Contingency	At least 5% of all costs except acquisition, hard costs, reserves, and developer fees.
Contingency Funds	Contingency funds shall first be used to cover cost over runs, and the remainder shall be deposited into the replacement reserve.
Relocation	Displacement or permanent relocation of existing tenants is not allowed. Temporary relocation during renovation is allowed. All relocation must follow local, state, and federal relocation laws.
Property Welfare Tax	Budget must clearly show when the property welfare tax exemption is expected to begin, if applicable.

F. Application Submittal Requirements

Applications will be accepted anytime until funds are expended. The Application should be submitted to Joseph Sanfilippo, Economic Development and Housing Specialist, via email at jsanfilippo@burlingame.org.

Applications are to be straightforward, clear, concise, and specific to the information requested. For Applications to be considered complete, the applicant must provide responses to all information requested. Submission to this Program is at the applicant's expense and no part of the costs of preparation shall be reimbursed by the City.

Applications in whole or in part are NOT to be marked confidential or proprietary. The City may refuse to consider any Application or part thereof so marked. Applications submitted in response to this Program may be subject to public disclosure.

The City shall not be liable in any way for disclosure of any such records. Under the California Public Records Act, all documents submitted in response to this Program are considered part of the public record and will be made available to the public, upon request.

Applications must include the following, in the following order:

1. Cover letter with applicant name, amount requested, project location, and project summary (max 1 page).
2. Description of the project, including units, incomes served, occupancy status, special populations served (if applicable), commercial spaces (if any), on-site amenities, neighborhood amenities, and accessible units (if any) (max 2 pages).
3. Map identifying location of project.
4. Rent roll dated within 30 days of Application with lease start date, rent, and subsidy information (if applicable).
5. Description of the applicant, including years of experience, types of projects, role in projects, and key principals with contact information (max 2 pages).
6. Organizational documents from the State, organizational chart, non-profit status (if applicable), and operating agreements for partnerships.
7. Last 3 Years of Audited Financial Statements of entity or principals. Small organizations that do not conduct audits may request a waiver but must submit 3 years of their financial statements (balance sheets and annual profit and loss statements), and three most recent years of their IRS Form 990. For individuals, 3 years of tax returns may be accepted.
8. List of properties developed or preserved within the last 10 years that include Applicant's role, funding sources, income levels served, acquisition/new

construction/rehabilitation/preservation, special populations served, and total development costs.

9. Description of property management company, including years of experience and types of projects managed (max 2 pages).
10. Proof of site control with a date that extends through the acquisition closing (deed, purchase/option contract, lease, exclusive negotiating agreement, Disposition and Development Agreement).
11. Schedule listing key dates through turnover of over-income tenants (if applicable), full lease-up, including acquisition, funding Applications (if applicable), inspections completed, acquisition closing, building permits (if applicable), rehabilitation start and completion (if applicable), etc.
12. Appraisal dated within 60 days of the Application.
13. Preliminary title report dated within 60 days of the Application.
14. Property inspections, as applicable (lead, asbestos, mold, seismic, structural)
15. Proof of Planning approvals, if applicable.
16. Budget spreadsheets with unit mix by bedroom type and income restriction, development sources and uses, operating budget, 20-year cash flow, and debt coverage ratios. Applicants should provide the information in a spreadsheet (not a PDF) that provides substantially similar information.
17. Financing commitments, if any.
18. Operating subsidy commitment, if applicable.
19. Supportive services plan and budget (if applicable) including FTE, staff/client ratios, types of onsite and offsite services, memorandums of understanding between external service provider (if applicable), and funding commitment documents.
20. Relocation Plan and Budget, if applicable.
21. Physical Needs Assessment with replacement reserve analysis completed within 6 months prior to the Application.
22. Signed Certifications in Exhibit B.
23. Description of any changes to the City Underwriting Guidelines requested.
24. Any other materials that the applicant believes will assist the City in evaluating the Application.

Due before closing:

1. Insurance as required by Exhibit A.
2. A Phase 1 environmental assessment dated within 1 year of the Application.

G. Application Evaluation

Applications will be evaluated and scored based on compliance with the criteria below. Since projects are considered on a rolling basis, achievement of a particular score does not guarantee City Council approval of the Application or award of any funding, and scores among various Applications that ultimately receive grants may vary.

<u>Category</u>	Maximum Points
1. Organizational Capacity and Relevant Experience The organization is well qualified to complete and operate the project, considering years of relevant experience and the number of similar projects completed.	20
2. Nonprofit Organizations	10
3. Project Need Project clearly addresses the housing goals and priorities listed in this NOFA and the City's Housing Element and Comprehensive Plan.	10
4. Project Design and Readiness Project design (physical and operational) is cost-effective, feasible, and compatible with the neighborhood, includes green building/sustainability considerations, and effective in meeting the stated goals and objectives. Applicant is ready and able to apply for other financing upon issuance of conditional funding award.	20
5. Budget and Financial Management Financial Management points are based on clean financial audits and a strong record of financial and regulatory compliance at other projects owned or managed by the applicant.	15
6. Percentage and depth of Affordability Points are awarded based on the percentage and depth of affordability of units in the project. For example, projects that are 49% income restricted at 80% of AMI will get 10 points, and if the project is 49% affordable and half the units are at 60% of AMI and half are at 80% of AMI, will get 15 points.	15
7. Percentage of Matching Funds Points are awarded based on the following formula: No match: 0 points 100% to 199% match: 5 points 200% to 299% match: 10 points 300% match or more: 15 points	10
Total Points Available	<u>100</u>

H. Application and Evaluation Timeline

Please send application materials to Joesph Sanfilippo, Economic Development and Housing Specialist, via email at jsanfilippo@burlingame.org. Typical application processing times are in business days as follows:

Program Application Process	Timing/Duration
Application Submission	Ongoing
Staff initial review of complete Applications	10 days
Submittal of additional information, if requested by staff	5 days
Staff final review	5 days
Staff notification of results	10 days
Recommendation made to City Council	Dependent on City Council schedule
City Loan Closing	Within 6 months of award

I. Funding Award Recommendations

At the conclusion of the Application evaluation process, applicants will be notified by letter and email of the funding award recommendation(s), if any, by the City. To receive an award, City staff must make a recommendation to the City Council for approval. An approval by the City Council may be conditional and include requirements that must be met before final funding is approved.

J. Questions/FAQs

All questions must be submitted to Joseph Sanfilippo, Economic Development and Housing Specialist, via email at jsanfilippo@burlingame.org. The City will periodically post on its website a list of questions and answers.

K. General Information

1. Revisions

The City Manager or designee, in his/her sole discretion, is authorized to make changes to the City Underwriting Guidelines. Alternatively, the City Manager or designee may request that the City Council consider and approve changes to the City Underwriting Guidelines. If any such changes are made, the City will post an addendum to this NOFA on the City of Burlingame website.

2. Expense of Preparation

The City is not responsible for any expense incurred in preparation of submittals or taking any action in connection with the process, or for the costs of any services performed in connection with submittal, interviews, or approval process.

3. Modifications

Applicants may not modify their submittal, except in direct response to a request from the City for clarification. Any submittal and proposed information items must be valid for at least 180 days after submission.

4. City Loan Documents

Available upon request.

5. Contact Information

Questions and technical assistance regarding this Affordable Housing Funds NOFA may be directed to Joseph Sanfilippo, Economic Development and Housing Specialist, via email at jsanfilippo@burlingame.org

6. City Reservation

The City of Burlingame reserves the unqualified right to request additional information from applicants, reject any and all Applications (including incomplete and ineligible Applications), discuss modifications to Applications with the applicants, waive any irregularities in the submittal requirements, or cancel, suspend, or amend the provisions of this NOFA. Submission of an Application in response to this NOFA constitutes agreement on the part of the applicant to comply with this and all other rules and conditions of this NOFA. The City reserves the right to refuse funding for any and all Applications and the City reserves the right to award funds to more than one applicant.

EXHIBIT A – INSURANCE REQUIREMENTS

Property Coverage. Evidence of insurance demonstrating fire, lightning, and extended coverage insurance on the facility in a form of commercial property policy, in an amount equal to one hundred percent (100%) of the then current replacement cost of the facility, excluding the replacement cost of unimproved real property constituting the site.

Proof of Coverage Related to Site Control. Evidence of insurance as required by those documents demonstrating site control as described in Section D.7.

EXHIBIT B – APPLICANT CERTIFICATIONS

Applicant hereby certifies under penalty of perjury:

1. Truth of Application

That the information submitted in the project application and any supporting materials is true, accurate, and complete to the best of our knowledge. Applicant acknowledges and understands that if facts and/or information herein are found to be misrepresented or otherwise false, funding may not be granted or may be withheld.

2. Applicant Will Abide by Program Rules

That if Applicant is successful in receiving funds as a result of this Application, it will abide by all applicable rules and regulations governing the Program.

3. Applications are Public Records

That Applicant acknowledges that the information submitted as part of this application may be made available to the public pursuant to a request under the California Public Records Act.

4. Material Changes to Project

That Applicant acknowledges that any material changes to the project not disclosed to and approved by the City may result in termination of funding for the project. Material changes include but are not limited to: changes to the project's design, amenities, and number and size of units; changes to the development budget; changes to the proposed sales prices, rents or operating expenses; changes to the sources, amounts or terms of financing; changes to the ownership entity or key staff and consultants identified in the Application, or changes to other Application items.

5. Acknowledgement of Financing Commitment Timeline

That Applicant acknowledges their understanding that after receiving approval for the project's financing commitment, the project will be subject to commitment and expenditure deadlines as applicable to the rules and regulations governing the Program for which funding is sought.

Applicant Name and Title:

Organization:

Signature

Date
