

City of Newark  
Multifamily Rental Housing  
Notice of Funding Availability (NOFA)

**NOFA Issuance Date: June 2, 2022**  
**NOFA Response Deadline: August 5, 2022, 5:00 pm Pacific**

## 1. Background

The City of Newark invites developers of deed-restricted affordable new-construction multifamily rental housing projects located within the Bay Area to submit applications for funding assistance under this Notice of Funding Availability (NOFA). A total of **approximately \$12 million** of funding assistance is available under this NOFA for the types of affordable housing projects described below. The funding in this NOFA comes from the City's Affordable Housing Impact Fee Fund.

Newark has long been considered one of the most livable and relatively affordable cities in the high-cost Bay Area, but recent rising housing costs and income levels threaten that relative affordability. Newark needs housing for all segments of the community. For this NOFA, the City of Newark is interested in soliciting proposals for deed-restricted affordable rental housing that serves:

- Families with children<sup>1</sup>
- Key workers (including teachers/educators, first responders, childcare workers)
- People and families at risk of homelessness
- People with disabilities and other special housing needs

The City of Newark has hired Baird + Driskell Community Planning to administer this NOFA. They will work closely with city staff throughout the process and will be the main point of contact for applicants.

## 2. NOFA Process and Timeline

### a. **Deadline: August 5, 2022, 5:00 pm Pacific**

Project applications must be complete by the deadline date to ensure consideration for funding eligibility. Applications that do not include all required information, or do not have complete answers to all applicable questions, may, at the City's sole discretion, be deemed ineligible for funding.

- ### b. **Submission Format:** Proposals must be submitted as electronic PDF files via a filesharing service like Dropbox or Box.

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<sup>1</sup> This category is meant to align with CTCAC's definition of large-family projects.

- c. **Pre-Proposal Q&A Session:** The City of Newark will hold a Q&A session with prospective applicants on June 15, 2022 from 10-11 am Pacific. The session will be held remotely on Zoom. Email [newarknofa@bdplanning.com](mailto:newarknofa@bdplanning.com) to request info. Attendance is not mandatory but recommended.
- d. **Questions:** Please do not call the City with questions regarding this NOFA. Submit all questions relating to this NOFA or content of the application by emailing [newarknofa@bdplanning.com](mailto:newarknofa@bdplanning.com). Applicants will receive responses via email. All questions and responses from the City will also be posted on the City’s website (<https://www.newark.org/departments/community-development/planning-division/housing-programs-and-assistance>). The final day to email questions to the City is July 22, 2022.
- e. **Process and Timeline:** City staff and technical consultants will review all proposals submitted that meet the NOFA requirements and interview selected applicants. Proposals will be evaluated based on the Selection Criteria identified below. Proposals that receive favorable staff review will be presented to the Community Development Advisory Committee, who will make a recommendation to the City Council for a funding decision. Once the City Council has made a final decision, staff will begin negotiation of loan documents with the selected Applicant(s).

<b>Milestone / Activity</b>	<b>Target Date</b>
NOFA Issuance	June 2, 2022
Q&A session	June 15, 2022, 10-11 am
Final date for emailed questions	July 22, 2022
NOFA Responses due	August 5, 2022, 5:00 pm
Interviews	September (estimated)
Committee meet to discuss recommendation	
Committee make recommendation to Council	October (estimated)
Council make funding commitments	
Document negotiation	November (estimated)
City final approval of documents	December (estimated)

### 3. Summary of Eligibility

- a. **Eligible Applicants:** Non-profit or mission-driven for-profit developers, other non-profit sponsoring agencies, tax credit limited partnerships and limited liability companies, and joint ventures among any of these entities. Joint ventures that include smaller community organizations or emerging developers are encouraged, but the team must include a lead developer that meets the below requirements. Governmental agencies are not eligible applicants.

Applicants must have affordable housing experience within the nine-county Bay Area (San Mateo, San Francisco, Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, and Santa Clara) (“Bay Area”) and a successful track record of at least two (2) years of ownership<sup>2</sup> and management<sup>3</sup> of at least two (2) affordable housing projects within the Bay Area in which 100% of the Units, except for the manager(s) Unit(s), are targeted to tenants at or below 80% of the Area Median Income.

- b. Eligible Projects:** Eligible projects must be new construction multifamily rental housing projects in which 100% of the units are restricted to households with incomes at or below 80% AMI<sup>4</sup> and the average AMI for the project is at or below 60% of AMI.

Supportive Housing Projects/Units and projects/units serving special needs populations are eligible. However, Eligible Projects must provide permanent affordable housing rather than transitional housing.

- c. Eligible Use of Funds:** Eligible Uses of Funds include, but are not limited to, acquisition of property and property rights, cost of construction, including costs associated with planning, administration, and design, as well as actual building or installation, as well as any other costs associated with the construction or financing of affordable housing.

- i. Predevelopment:** Eligible predevelopment costs may include, but are not limited to, costs of local, state- and federally-mandated tenant relocation, site plan and other site design studies, architecture and engineering fees, soils testing and other environmental review costs, legal fees, costs of other eligible consultants, planning fees, and other project management expenses.

- City funds are available to reimburse predevelopment costs once the Project receives entitlement approval.
- City funds are not available to pay for Applicant’s staffing, overhead and general costs of operation or site search costs.
- Eligible costs initially paid with Applicant’s own or borrowed funds may be reimbursed with City loan proceeds within a reasonable period of time at the City’s discretion.

- ii. Site Acquisition:** The Applicant may request funds to apply toward site acquisition costs such as appraisals, purchase agreement deposits, option payments, other site control costs, the purchase price of the site, repayment of the loan(s) that originally financed the purchase of the site

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<sup>2</sup> Ownership by an affiliated entity, limited partnership or limited liability corporation for tax credit purposes will qualify as ownership of the project, at the City’s discretion

<sup>3</sup> Management by an affiliated or contracted property management entity will qualify as management of the Project, at the City’s discretion

<sup>4</sup> With the exception of the manager’s unit(s).

(i.e., take- out financing), and other acquisition costs such as buyer's share of closing costs. The City will not disburse funds for acquisition costs for the land and improvements in excess of the value of the property appraised within six months of disbursement.

- Eligible site acquisition costs also include site clearance, environmental remediation costs associated with environmental hazards, and preliminary site grading in preparation for construction of the Units.
- Eligible site acquisition costs may be reimbursed with City loan proceeds within a reasonable period of time at the City's discretion, as long as the costs were incurred by the Applicant or Project Developer as part of acquiring the property.

iii. **Construction:** Eligible construction costs include: demolition; on- and off-site improvements; construction of new residential Units and non-commercial common areas that are an integral part of a residential development and that are LIHTC basis eligible costs; and other direct construction costs. Should the Project include the construction or rehabilitation of commercial spaces, the Project proforma which is submitted with the application must indicate how the construction or rehabilitation of the commercial spaces will be financed.

- Certain indirect or soft costs are also eligible, including architectural and engineering fees, local permit and impact fees, legal fees, eligible consultant and professional fees, and property taxes and insurance.
- Costs of local-, state-, and federally-mandated tenant relocation, to the extent such relocation is required but not funded by other funding sources.
- City loan proceeds may not be used to pay late or penalty fees or the Applicant's or Project Developer's staffing, overhead and general costs of operation.
- Eligible costs may be reimbursed with City loan proceeds within a reasonable period of time at the City's discretion.

iv. **Operating Costs:** Eligible operating costs may include a capitalized operating subsidy reserve needed to support general operating costs including supportive services in Projects. For Projects that will serve incomes below 30%, the reserve may be used to support rents.

d. **Threshold Criteria:** In addition to meeting the above eligibility requirements, the City has the following threshold priorities and requirements:

- i. Minimum number of units: No minimum threshold, but the City is seeking as many affordable units as possible.

- ii. Affordability
  - Minimum Affordability: 100% of the units must be restricted to households with incomes at or below 80% AMI and the average AMI for the project must be at or below 60% of AMI. The City seeks the deepest affordability possible.
  - Term of Affordability: Housing units must remain affordable for at least 55 years.
- iii. Site Control: At the time of proposal submission, the Applicant must have site control of the property for the proposed Project for which funding is requested. The Applicant must show that if the proposal is selected, site control can be maintained until the property can be acquired. As evidence of site control, one of the following documents must be submitted with the application:
  - Purchase and Sales Agreement, including evidence that the agreement is for a term that is sufficient to hold the property until the anticipated date of purchase;
  - Option to purchase or lease, binding on seller or landlord, including evidence that options are renewable until the anticipated date of purchase;
  - A long-term lease agreement with a term of not less than 75 years;
  - Executed land sales contract or other enforceable agreement for acquisition; or
  - Other evidence that Applicant has site control acceptable and as determined by the City.

The City has no publicly owned sites currently available for development or redevelopment as affordable housing. However, the City has adopted three specific plans that may offer potential for new multifamily: the [NewPark Place Specific Plan](#), [Bayside Newark](#) (formerly The Dumbarton Transit-Oriented Development), and the [Old Town Newark Specific Plan](#).

- iv. Financing
  - Projects must demonstrate financial feasibility and ability to compete well in securing other funding sources
  - Projects must have reasonable cost and underwriting assumptions
  - Projects must leverage other sources of funding
  - Underwritten rents shall be at least 10% below market rents for all project units based upon an approved Appraisal
- v. Planning: Projects shall be consistent with the goals and objectives of the City's General Plan, Specific Plans (as applicable) and other local and state goals. The City is currently undergoing the process of updating its Housing Element, which will be completed by January 31, 2023. Applicants should reference the City's affordable housing workplan

(included in Appendix) to ensure that proposed projects are in line with the City Council's direction on housing policy.

Resources:

<https://www.newark.org/departments/community-development/planning-division/housing-programs-and-assistance>

<https://newarkhousingupdate.org>

- vi. Design & Services
  - Projects must incorporate high quality design and amenities
  - Projects must be designed to be compatible and properly integrate with neighborhood scale, massing and setting
  - Projects must incorporate appropriate community spaces, amenities and services for the target population
  - Projects should include supportive services appropriate for the expected tenant population as an integral component of the project including identification as to how the provided services will be funded long-term.
- vii. Experience: Applicant must have demonstrated experience with successful development and property/asset management of affordable housing projects, the ability to timely secure funding sources that minimizes the City's contribution of local funds, and the capacity to work cooperatively with the community in the design and development of the Project.
- viii. Financial Capacity: Applicant must demonstrate sufficient financial strength and capacity by providing audited financial statements.

**4. Scoring Criteria:** Projects will be scored relative to the competition using the below priorities.

- a. Financial Feasibility
  - i. Cost effectiveness (higher score for lower total development cost per unit) (up to 10 points)
  - ii. Number of units (higher score for a greater number of units) (up to 10 points)
  - iii. Leverage other financing sources (higher score for higher ratio of total other financing sources compared to the city's contribution) (up to 10 points)
- b. Public benefits (city's priorities)
  - i. Income targeting (higher score for lower average AMI for the project) (up to 20 points)
  - ii. Population targeting (higher score for a larger number of units with three or more bedrooms) (up to 25 points)
- c. Quality and completeness of proposal (up to 15 points)

- d. Quality and completeness of budget (up to 10 points)

## 5. City Financial Participation and Requirements

Depending upon the financial need of the Project, the City will generally provide a capital contribution in the form of a 55-year loan (City Loan) with an interest rate of 3% simple-interest, payable from residual receipts. The selected Applicant must provide adequate security for a to-be-determined predevelopment component of the City Loan, including but not limited to assignment of the purchase agreement and plans and specifications. The City Loan will be secured by a promissory note and recorded deed of trust and will be conditioned upon additional security in the form of a recorded rent regulatory agreement and a notice of affordability restrictions. The City Loan may not be used to fund operating subsidies or supportive services other than the capitalized reserves outlined above.

The Deed of Trust for the City Loan will initially be recorded in second lien position junior to any private lender acquisition/construction trust deed, and further may be subordinated to other state or federal public agency financing, if required by law. The selected developer will be required to start construction within three years from the date the Loan Agreement is executed or risk losing the City's funding commitment.

**Predevelopment Loan:** As security for a Predevelopment Loan, selected Applicants are required to assign to the City its rights and obligations with respect to certain agreements (including purchase agreement), plans and specifications and approvals. If the project is proceeding and subsequent financing is approved; the Predevelopment Loan shall be rolled into the subsequent loan. If the project proves infeasible, the predevelopment loan may be forgiven in certain circumstances pursuant to the terms of the Predevelopment Loan Agreement.

**Predevelopment costs:** Predevelopment costs are upfront project costs necessary to determine project feasibility and include: costs of an initial feasibility study; consulting fees; legal fee; architectural and engineering fee; soil and environmental review services; and other upfront expenses incurred during the preconstruction phase. Predevelopment costs do not include option deposits to acquire site control.

### a. Key Underwriting Guidelines

- **Loan Repayment** – Generally, the City will require 50% of Net Cash Flow for residual receipts payments.
- **Capitalized Operating Reserve** – Minimum three-months of operating expenses, reserves, and debt service.
- **Rental Income During Construction** – Net rental income from operations from lease-up prior to permanent loan conversion shall be included in the calculation of project cost savings.
- **Total Development Budget Savings** – Total project cost savings shall be determined in an accounting report prepared by a third party certified public

accountant and shall show Project Development Costs and Project Income Sources through the date of the report as well as estimated through the Conversion Date. In the case of a tax credit development, total project cost savings shall be disbursed first to cover reductions in the tax credit equity contribution amounts if any and then to pay interest and principal on the City loan.

- Commercial Space – Commercial spaces will be excluded from the City underwriting assumptions. The financing plan for nonresidential space shall be provided to and approved by the City and the associated costs must be listed separately.
- Vacancy Rate Assumptions – City assumptions generally mirror those of the California Tax Credit Allocation Committee (CTCAC) policy: (5%) for family and seniors; and ten percent (10%) for permanent supportive housing, other special needs, and SROs.
- Total Operating Expenses – Minimum operating expenses will generally be consistent with those set by TCAC per region and project type (not including property taxes, replacement reserves, depreciation or amortization expense, or the costs of any service amenities). Maximum operating expenses may be approved by the City in its sole discretion based on portfolio surveys and developer information.
- Replacement Reserves – For new construction a minimum of \$250 per unit annually and a maximum of \$350 per unit annually. For rehabilitation projects, a minimum of \$300 per unit annually and a maximum of \$400 per unit annually as determined by a 20-year replacement schedule based on a Physical Needs Assessment. Exceptions may be granted for other financing or project requirements. Reserves must remain with the project when the investor exits the owner entity.
- Operating Reserve Withdrawals and Replenishment – Operating Reserve replenishment to be funded from developer's share of Net Cash Flow.
- On-Site Property Management – All proposed projects must include, at a minimum, on-site management staff during normal business hours.
- Qualifications for Property Managers – The proposed management firm, or a principal in the firm, is required to submit evidence of successfully managing at least five projects, each with over ten units and subject to a recorded regulatory agreement for at least three years prior to the loan application.
- Management Plan – A draft management plan, lease agreement, and related documents will be submitted with final approval from the City prior to construction loan closing.
- Security Plan – Developers will be required to submit a security assessment and a plan for review and approval by the City prior to construction loan closing.
- Supportive and/or Special Needs Housing – Properties with supportive/special needs occupancy will submit a plan that addresses the needs of the population prior to construction loan closing.



The ability to satisfy the Project Threshold Criteria and the Key Underwriting Guidelines does not guarantee City project funding and the City reserves the right in its sole and absolute discretion to modify or waive any of these requirements without further notice to Applicants or potential Applicants.

- b. **Allowable Partnership/Asset Management Fees:** For tax credit projects, the annual Partnership Management Fee and Asset Management Fee may not exceed \$15,000 and \$10,000, respectively, and may increase at up to 3% per year.
- c. **City Legal Fees:** Charges incurred by the City's outside counsel during the negotiation and execution of loan documents, including both the predevelopment loan and the construction loan will be paid directly by the developer.
- d. **Environmental Review and Assessment:** Projects must comply with the requirements of the California Environmental Quality Act. If federal funding is involved, the Project will also be assessed in accordance with the National Environmental Policy Act (NEPA) requirements.
- e. **Insurance Requirements:** The selected Applicant will be required to comply with the City's insurance requirements, summarized as follows:
  - 1. Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than \$1 million each accident.
  - 2. Commercial General Liability insurance with limits not less than \$2 million each occurrence.
  - 3. Comprehensive Automobile Liability insurance with limits not less than \$1 million for each occurrence.
  - 4. Property insurance, including during the course of construction builder's risk insurance, covering the development, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value.
  - 5. Commercial Crime Insurance covering all officers and employees, for loss of City Loan proceeds caused by dishonesty, in an amount not less than the amount of the City Loan naming the City as a Loss Payee, as its interests may appear.
  - 6. The general contractor, subcontractor, or agent working on the development must maintain insurance of the types and in at least the minimum amounts described in items a, b, and c above, except that the limit of liability for commercial general liability insurance for sub-contractors is \$1 million.
  - 7. All policies, both during construction and after completion, must name the City as an additional insured.

The above summary covers general requirements and does not include comprehensive detail about the City's insurance requirements. For specific questions and exact insurance requirements, the Applicant should contact [newarknofa@bdplanning.com](mailto:newarknofa@bdplanning.com).

- f. **Marketing Plan:** Applicant is responsible for tenant selection and waitlist management. A Marketing and Management Plan will be required 180 days prior to construction completion (for rental projects) and must be approved before marketing can begin.
- g. **Local Preference:** The City is currently undertaking a process to consider a local live/work preference policy. If the policy is adopted, funded Projects will be required to adhere to this policy.

**6. Submittal Requirements**

	<b>Requirement</b>	<b>Check</b>
<b>1.</b>	<b>Cover Letter:</b> Provide a brief summary of the proposed Project and discuss your firm’s qualifications, why you are uniquely qualified to merit the City’s investment, and why your proposal should be selected for funding.	
<b>2.</b>	<b>Completed Project Information Form (Excel document) with required data</b>	
<b>3.</b>	<p><b>Development Team</b></p> <ul style="list-style-type: none"> <li>a. Identify the entity with the legal authority to contract directly with the City, including all joint ventures/limited partners and their percentage ownership interest (if applicable).</li> <li>b. Include resumes of key individuals and their roles.</li> <li>c. Identify person who has the legal authority to enter into a contractual agreement with the City on behalf of the Applicant.</li> <li>d. Identify any known partners and provide resumes. This must include the proposed management firm, or a principal in the firm. Provide a list of rental projects that are currently under the company’s management. Include each property’s location, number of units and number of affordable units. The management entity is required to submit evidence of successfully managing at least five projects, each with over ten units and subject to a recorded regulatory agreement for at least three years prior to the loan application.</li> </ul>	
<b>4.</b>	<b>Financial Statements:</b> In order to assess the financial soundness of the Applicant's proposed principal development entity, the submittal shall include copies of the three most recent audited financial statements of the Applicant and each proposed development entity/joint venture partner, as applicable.	

	<b>Requirement</b>	<b>Check</b>
<b>5.</b>	<p><b>Experience</b></p> <ul style="list-style-type: none"> <li>a. Provide evidence of past project experience, particularly with developing affordable rental housing projects. For three (3) projects include: a brief narrative description of the project, the Applicant's role, the cost of the project, amounts and sources of funds used to finance the project, the date the project was completed, audited financial statements for the three most recent years of each projects operations, and indicate if the project was completed on time and within budget.</li> <li>b. For each of the projects identified above for past project experience, provide a reference with the applicable city or redevelopment agency/redevelopment successor agency including name, email address and phone number.</li> </ul>	
<b>6.</b>	<p><b>Project Description</b></p> <ul style="list-style-type: none"> <li>a. Provide a written description of the proposed Project, scale of development (stories, type of construction, size, number of buildings, use of proposed tenants of commercial component (if applicable), occupancy restrictions, number and bedroom size of units, number of parking spaces, and type of amenities). The City strongly encourages new construction approaches/ technology with a proven track record of significant cost savings and compatibility with the need of the proposed tenant population.</li> <li>b. Provide basic site information such as property address; Assessor Parcel Number; square footage; existing uses; an initial assessment for the need to relocate existing commercial and/or residential tenants, as may be applicable; current General Plan land use designation and zoning; indicate if the proposed Project is consistent with the existing zoning, or if rezoning is required.</li> <li>c. Describe the property location, neighborhood, transportation options, local services and amenities (full-service grocery store, neighborhood park, pharmacy, medical facility, schools, etc.) within close proximity to the site (include distance, e.g., 1/4 mile, 1/2 mile).</li> <li>d. Provide a graphic depiction of the proposed Project consisting of a preliminary site plan and elevation. Overly detailed architectural renderings are discouraged in response to this NOFA.</li> <li>e. Describe the Project's design and amenities, including community spaces, and how the Project will integrate into the neighborhood and meet the needs of the target population</li> <li>f. Describe how the Project will be managed.</li> </ul>	

	<b>Requirement</b>	<b>Check</b>
7.	<p><b>Financing Plan and Proforma:</b> Provide a narrative description of the proposed method of financing the proposed Project including all sources of debt and equity. In the case of a proposed tax credit project, identify the assumed tax credit pricing/cents on the dollar projected in the proposed project’s Sources and Uses. Given the competitive nature of many of the available County, state and federal funding programs, the narrative should describe the Applicant's approach to alternative financing scenarios as a contingency to the preferred plan.</p> <p>The proposal should also include a complete preliminary financing pro forma of the proposed Project including:</p> <ul style="list-style-type: none"> <li>a. Total development cost budget, itemized for each component of the Project, identifying predevelopment costs, estimates of land acquisition and site preparation costs (if applicable), direct construction costs (for each component) and all indirect and financing costs, including the developer fee, construction escalation, design contingency, and construction contingency of no less than 10%.</li> <li>b. For mixed-use projects, a development budget with the costs attributable to the commercial/retails component clearly delineated from those for the residential component.</li> <li>c. A complete, phased, sources and uses of funds table for acquisition/predevelopment, construction and permanent financing for each component of the Project. The table should clearly indicate the amount of requested City Affordable Housing financial assistance and the proposed repayment terms of such assistance.</li> <li>d. An initial 15-year operating pro forma with estimated income and expenses including rents for each unit type and assumed inflation factors for both revenues and expenses; assumed vacancy rate; projected debt service with commercial lender assumed interest rate, loan term and amortization, as appropriate; and all distributions of remaining cash flow. The pro forma should clearly detail assumptions on rents for all unit types including utility allowance factors and other sources of income.</li> </ul>	
8.	<p><b>Evidence of site control:</b> At the time of proposal submission, the Applicant must have site control of the property for the proposed Project for which funding is requested. The Applicant must show that if the proposal is selected, site control can be maintained until the property can be acquired. As evidence of site control, one of the following documents must be submitted with the application:</p>	

	<b>Requirement</b>	<b>Check</b>
	<ul style="list-style-type: none"> <li>• Purchase and Sales Agreement, including evidence that the agreement is for a term that is sufficient to hold the property until the anticipated date of purchase;</li> <li>• Option to purchase or lease, binding on seller or landlord, including evidence that options are renewable until the anticipated date of purchase;</li> <li>• A long-term lease agreement with a term of not less than 75 years;</li> <li>• Executed land sales contract or other enforceable agreement for acquisition; or</li> <li>• Other evidence that Applicant has site control acceptable and as determined by the City.</li> </ul>	
<b>9.</b>	<b>Appraisal:</b> An appraisal is required that has been completed within six months of the application deadline. The appraisal must conform to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice. All appraisers must be California State licensed/certified.	
<b>10.</b>	<b>Preliminary Title Report:</b> A preliminary title report dated within 30 days of the application deadline.	
<b>11.</b>	<b>Phase I:</b> Applicants must provide a copy of the completed Phase I Environment Assessment prepared by a qualified environmental firm.	
<b>12.</b>	<p><b>Conceptual Relocation Plan (if needed):</b> Any Applicant proposing to acquire land or rehabilitate existing structures using City funds that may result in the displacement of residential or commercial tenants must fully comply with both federal and state relocation laws. If the Project involves temporary or permanent relocation of residential or commercial tenants, please provide a narrative Relocation Plan and Relocation Budget. Also, provide the name, resume, and contact information of the proposed qualified relocation consultant. The Relocation Plan should include:</p> <ol style="list-style-type: none"> <li>a. A description of the applicable relocation requirements and relocation benefits to be provided;</li> <li>b. A cost estimate of relocation expenses;</li> <li>c. Identification of the number of households or businesses to be displaced;</li> <li>d. The current rent roll; and</li> <li>e. A description of the proposed advisory services that will be provided to the displaced households/businesses.</li> </ol>	

	<b>Requirement</b>	<b>Check</b>
<b>13.</b>	<b>Community Outreach Plan:</b> Provide a plan for conducting community outreach to neighbors of the proposed Project and community groups. The outreach plan should describe how the Applicant intends to build support for the Project and address community concerns. The outreach plan should also discuss any anticipated community concerns and how they would be handled.	
<b>14.</b>	<b>Services Plan:</b> If applicable, provide a services plan that describes services proposed to be provided to tenants (e.g., child care, computer training, etc.) and demonstrates how supportive services for the target tenant population will be provided and funded.	
	<b>Proposed Project Schedule:</b> Provide a preliminary project schedule identifying the estimated date of achieving key milestones including: securing of all financing commitments; acquisition of the site; start of construction; completion of construction; and lease-up and stabilization of residential and commercial operations (if applicable). Project schedule should start within 30 days of date the Applicant's project is selected.	

RESOLUTION NO. 11,201

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
NEWARK APPROVING AN AFFORDABLE HOUSING WORK  
PLAN

WHEREAS, in May 2015, the City Council approved Resolution 10,361 approving an amendment of the Newark General Plan, adopted December 12, 2013, by replacing the Housing Element with the Housing Element Update 2015; and

WHEREAS, the purpose of the Housing Element is to support the vision of assuring the provision of safe, decent, affordable shelter for all Newark residents. The Housing Element places a particular emphasis on lower income Newark residents and residents with special needs, including seniors and persons with disabilities. The Housing Element includes an evaluation of housing needs in the City, based on demographics and housing conditions. As required by state law, it identifies sites sufficient to accommodate the City's share of the region's housing needs over an eight-year period, the Regional Housing Need Allocation (RHNA), developed by the Association of Bay Area Governments (ABAG); and

WHEREAS, the State of California continues to suffer a housing affordability crisis, which also manifests at the regional and local level. Based on data from ABAG, median rents in the Bay Area have increased over 44% between 2010 and 2015, while median household income has increased by 5% over same period. In 2017, over 40% of Alameda County renters spent 35% or more of their household income on rent; and

WHEREAS, the 2015-2023 RHNA for the Bay Area identifies a total housing need of 187,990 units, distributed among very-low, low-, moderate-, and above-moderate income levels. The City of Newark's RHNA allocation for the 2015-2023 period is 1,078 units (which shall be accommodated through the General Plan and Zoning Ordinance, but not necessarily constructed) and includes:

- a) 330 units for very-low income households, with incomes at or below 50% of the Average Median Income (AMI)
- b) 167 units for low income families, with incomes ranging from 51% or 80% of AMI
- c) 158 units for moderate-income households, with incomes from 80% to 120%, and
- d) 423 units for above-moderate-income households with an AMI of greater than 120%; and

WHEREAS, between the period of 2015-2020, the number of residential units constructed in the City or have had building permits issued for construction, includes 36 units of housing affordable for moderate-income households and 1,062 units of housing affordable to above moderate-income households, for a total of 1,098 units. The City has not produced units affordable to low-income or very-low-income households within the 2015-2020 period, and

WHEREAS, although the City has produced housing that exceeds the goal for above-moderate housing, the production goals for very-low, low, and moderate housing have not been met; and

WHEREAS, the City recognizes the importance of continuing to proactively develop affordable housing in Newark to meet the needs of families who live and work in the City, consistent with the adopted Housing Element; and

WHEREAS, in November 2020, the City Council approved a contractual services agreement with Baird + Driskell Community Planning (Consultant) to provide affordable housing program management services to the City; and

WHEREAS, City staff directed the Consultant to conduct interviews with the City Council, the Planning Commission, and the Community Development Advisory Committee to assess the affordable housing needs of the community and prepare a work plan that would guide the efforts of City staff and the Consultant over a two-year period; and

WHEREAS, based on the results of the interviews, City staff and the Consultant have produced an affordable housing work plan that includes activities for the preparation of new affordable housing requirements, policies, and actions intended to significantly incentivize the production of affordable housing within the City, particularly at the very-low and low-income levels.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby adopts the 2021-2023 Affordable Housing Work Plan as attached as Exhibit A.



I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on May 13, 2021, by Council Member Hannon who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES: Council Members Collazo, Freitas, Hannon, Vice Mayor Bucci and Mayor Nagy

NOES: None

ABSENT: None

SECONDED: Council Member Collazo


APPROVED:

  
s/ALAN L. NAGY  
Mayor

ATTEST:

  
s/SHEILA HARRINGTON  
City Clerk

APPROVED AS TO FORM:

  
s/KRISTOPHER J. KOKOTAYLO  
Interim City Attorney

**Newark Affordable Housing Work Plan, 2021-2023**

	I. Housing Element Update	II. Inclusionary Housing and Nexus Study and Ordinance	III. Funding NOFA	IV. Local Preferences Policy	V. First-Time Homebuyer Program	V. Sites Acquisition and Other
<b>Timeframe/Budget*</b>	\$150,000-\$200,000, depending on extent of rezoning	\$100,000	40% of Housing Fund	\$50K	\$50,000 for Initial Program Structure + 5% of Housing Fund	40% of Housing Fund
<b>Spring/Summer2021</b>	Issue RFP/begin community engagement, review of previous housing element, needs assessment and overall update process	Develop Scope/Issue RFP/Retain Consultant and initiate study process	Develop NOFA outline and determine initiate funding be offered	Coordinate with Eden Housing re: local preferences analysis for proposed 79-unit senior housing development	Develop draft program parameters for first-time homebuyer program.	1) Due diligence and background research for potential acquisition of sites for affordable housing development. 2) assist staff with ongoing real state and affordable housing analysis, developer negotiations other key tasks related to affordable housing.
<b>Fall 2021</b>	Community engagement continues + sites inventory and analysis	Conduct Study	Issue NOFA and review applications	Develop analysis and guidelines for local preferences policy	Conduct additional due diligence for program and present draft program for Council consideration.	1) Develop sites acquisition strategy; 2) affordable housing program and policy support.
<b>Winter 2021/22</b>	Assess rezoning needs	Finalize Study and make recommendations to Council/adopt updated Program/Ordinance	Make funding commitments	Adopt local preferences policy	Adopt and begin implementation of program.	Implementation of sites acquisition strategy; other affordable housing program and analytical tasks.

**Newark Affordable Housing Work Plan, 2021-2023**

	I. Housing Element Update	II. Inclusionary Housing and Nexus Study and Ordinance	III. Funding NOFA	IV. Local Preferences Policy	V. First-Time Homebuyer Program	V. Sites Acquisition and Other
Spring 2022	Rezoning + Programs and Policies	Implementation	Manage/oversee funding allocations	Implementation	Implementation	Implementation of sites acquisition strategy; other affordable housing program and analytical tasks.
Summer 2022	Public Hearings	Implementation	Manage/oversee funding	Implementation	Implementation	Implementation of sites acquisition strategy; other affordable housing program and analytical tasks.
Fall 2022	Submit Draft to HCD	Implementation	Manage/oversee funding	Implementation	Implementation	Implementation of sites acquisition strategy; other affordable housing program and analytical tasks.
Winter 2022/23	Approve and Adopt Housing Element	Implementation	Manage/oversee funding	Implementation	Implementation	Implementation of sites acquisition strategy; other affordable housing program and analytical tasks.

\* Estimated budget or Housing Fund allocation percentage. Specific funding requests would be reviewed and approved by Council