



COUNTY OF
SAN MATEO

DEPARTMENT
OF HOUSING

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**NOTICE OF FUNDING
AVAILABILITY (NOFA)
July 1, 2025 – June 30, 2026**

**PROGRAM GUIDELINES
FOR FUNDING OF**

FEDERAL CDBG & HOME

**GRANT-FUNDED CAPITAL
PROJECTS**

- Housing Development / Acquisition and Rehabilitation
- Public Facility Development and Improvements

**** Applications Due by 4:00 p.m. PST
Tuesday, January 21, 2025****

Applications/Checklists to be submitted online through
City Data Services. Link: www.citydataservices.net
(Login for new users is SMC2025 for ID & Password)

For technical assistance with the online application,
contact City Data Services,
citydataservices@yahoo.com or (650) 533-593

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I. PROGRAM OVERVIEW

Notice of Funding Availability (NOFA). The County of San Mateo (the “County”) invites applications for housing and community development capital activities further described in Section II and focusing on two categories – Housing Development and Public Facilities Development and/or Improvement. Funding for these two categories will be from the federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs. The timelines for the NOFA public participation and funding approval process associated with this NOFA can be found at www.smchousing.org.

Please be advised that the total amount of funds available under this NOFA is subject to and will not be confirmed until Congress adopts a final budget for these programs, the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) make final allocations, and the County Department of Housing (DOH) has made adjustments based on any reprogrammed funds and/or loan repayments. Current estimates of funding availability are shown in the table below which amounts will be adjusted once final allocations are confirmed.

Table 1: CDBG and HOME Funding Available for FY 2025-2026 NOFA

FUNDING CATEGORY	ESTIMATED AMOUNT*	SOURCE
Housing Development / Acquisition-Rehab (Loans)	\$1,450,267.83	HOME ¹
Housing Preservation / Acquisition-Rehab (Loans) AND/OR Public Facility ² Development / Improvements (Loans or Grants)	\$1,393,971.26	CDBG
TOTAL AVAILABLE	\$2,844,239.09	CDBG/HOME
<i>*Estimated amounts based on FY 2025-26 Budget and funds not allocated to projects in previous grant cycles. These estimates are subject to change and may be reallocated across Funding Categories.</i>		

Date of Funding Availability. July 1, 2025, is the earliest date that funding for FY 2025-2026 awards under this NOFA will be made available; such funding will be subject to the terms and conditions

¹ The County is required to set aside at least 15% of annual HOME allocations for Community Housing Development Organization (CHDO) -Owned, - sponsored, or -developed housing projects. CHDO requirements are enumerated in Section 92.2 of the HOME regulations (24 CFR Part 92). CHDOs are required to re-qualify each time they apply for HOME funds. If applying for CHDO funds, please submit the CHDO Certification Form (see Exhibit 3 for form) or contact County staff regarding your CHDO status.

² Definition of Public Facilities: “In general, public facilities and public improvements are interpreted to include all facilities and improvements that are publicly owned, or that are owned by a nonprofit and open to the general public.” (source: Basically CDBG Manual, Chapter 6: Public Facilities, Special Assessments and Privately-owned Utilities, <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-6-Public-Facilities.pdf>)

of a funding agreement approved and fully executed between your organization and the County, which shall be subject to compliance with all requirements established by HUD and the County.

Table 2: Tentative Schedule of Events for the FY 2025-2026 NOFA

***Please check the DOH website to confirm all dates**

EVENT	TARGET DATE *
Post/Publish NOFA (Applications available on CDS) NOFA Published & Posted on Dept. of Housing website	December 3, 2024
NOFA Technical Assistance Session for Applicants	January 8, 2025, 2pm PST
Application Submission Due Date	January 21, 2025, by 4:00 pm PST
HCDC Public Hearing	March 6, 2025, at 1:00 pm PST (Tentative)
Board of Supervisors Meeting (for Funding Allocations)	On or around April 22, 2025

Application Preparation Workshop. DOH will host an application preparation workshop to provide technical assistance to prospective applicants on **Thursday, January 8, 2024, at 2pm PST** through a virtual conference meeting. Please contact Alejandro Segura at asegura@smchousing.org to register for the meeting. Attendance is not mandatory but is highly encouraged for all applicants. Instruction on federal funding requirements as well as the use of the City Data Services application process will be provided.

Applicant Eligibility Requirements:

- For CDBG funding, applicants must be an eligible City, a County or other public agency, or a qualified 501(c)(3) or (c)(4) non-profit organization. For-profit organizations may apply for HOME funding.
- All applicants must submit the latest certified financial audit of their organization, [no more than one fiscal year old and prepared by a CPA](#), including any management letters for applicable organization Fiscal Year.
- Non-profit organizations must submit evidence of current nonprofit status and an up-to-date roster of their Board of Directors.
- If you are proposing a new project located within any city's jurisdiction, the City Manager from that city must be notified and evidence of this notification must be included with the application. You are encouraged to seek a response letter acknowledging your notification.

Application Deadline. Please complete the application and submit all attachments on-line at www.citydataservices.net/ by:

Thursday, January 21, 2025, at 4:00 PM PST

NOTE: No late applications. No paper submissions. No Exceptions.

Application Review and Approval Process. Applications will be reviewed by County staff against priorities and criteria described in greater detail in Section III of this NOFA. Staff will formulate preliminary recommendations or funding to be presented to the Housing & Community Development Committee (HCDC), an advisory body to the County Board of

Supervisors.

A **Public Hearing will be held on or around March 6, 2025**, by the HCDC. Applicants will be invited to present their application and answer any questions at this public hearing. After hearing from all eligible applicants that attend the meeting, the HCDC will formulate funding recommendations.

The HCDC, through the DOH, will forward the recommendations to the **County Board of Supervisors on or about April 22, 2025**, for final approval, for submission to HUD on or before May 15, 2025.

II. FUNDING PRIORITIES

Successful applications will meet one of the funding priorities enumerated in the County's FY 2025-2026 NOFA Funding Priorities document, the content of which is summarized in the table below and can also be found at <https://www.smcgov.org/housing>

Low Income Benefit. Depending on the specific funding requirements, proposed programs/projects under this NOFA must benefit Extremely Low to Moderate-Income persons.

Funding Terms and Types. With some exceptions, the County's general policy is to provide grant funding for Public Facilities activities and loans to support Housing Development/Acquisition and Rehabilitation activities with varying contract periods.

FY2025-2026 NOFA Funding Priorities

A. Housing Development/Housing Repair and Modification Programs

1. Development of new housing, acquisition/rehabilitation of existing housing, conversion of non-housing structures to provide affordable housing, permanent supportive housing, or transitional housing, for Extremely Low- to Moderate Low-Income individuals, families, and persons with special needs.* Priority will be given to projects that meet the following criteria:
 - incorporate supportive housing services**;
 - transit-oriented development;
 - support the County's Continuum of Care's Strategic Plan on Homelessness;
 - and contain units for larger families (2-and 3-bedroom) and those with the greatest need (see Note below).
2. Housing repair and modification programs operated by nonprofit agencies that provide cost-effective improvements focusing on health & safety, housing quality standards, and/or access modifications.
3. Rehabilitation of rent-restricted, existing multi-family affordable housing.

B. Community Development (including Public Facilities*)**

1. Development (acquisition and/or new construction) or rehabilitation of emergency shelters or facilities providing service-enriched supportive housing for persons with special needs to meet the goals of the San Mateo County's Continuum of Care's Strategic Plan on Homelessness.
2. Development (acquisition and/or new construction) or rehabilitation of community facilities serving lower income individuals and households, including community and youth centers, childcare facilities.

C. Public Services & Economic Development Programs (including Shelter Operations, Fair Housing Enforcement, and Micro-Enterprise Assistance)

1. Operational support for emergency shelters and transitional facilities serving individuals and families.
2. Support for rapid re-housing activities, including rental assistance and supportive services, to assist individuals or families who are homeless to move as quickly as possible into permanent housing.
3. Operational support for agencies that provide safety net services.
4. Supportive services aimed at keeping people in their homes, including financial literacy programs, tenant-landlord mediation, and fair housing services.
5. Activities which result in the creation or retention of permanent employment opportunities for lower income persons.

Note: Through the Consolidated Planning Community engagement process, residents and stakeholders identified persons or families experiencing or at-risk of homelessness, persons living with a disability or mental illness, farmworkers, and the elderly as having the greatest needs in our County. A preference for housing for veterans was subsequently added as a significant need in the County.

* **Persons with Special Needs.** Under CDBG, this category includes: abused children; veterans at risk of or experiencing homelessness; survivors of domestic violence; seniors (62+); adult persons with serious disabilities; homeless persons; illiterate persons; and migrant farm workers. For County purposes, this category shall also include, but not be limited to, mentally ill persons; emancipated youth; seniors aging in place (for service-related programs); frail seniors (for housing); persons recovering from substance abuse; and persons recently released from jail or prison.

** **Supportive Housing Services.** Under this NOFA, these are services that assist special needs persons to stabilize, maintain their housing, and live as independently as possible, and without which the special needs person might have difficulty maintaining their housing.

III. ELIGIBLE ACTIVITIES

Projects considered for funding must meet all three of the following requirements: (1) be an eligible activity for CDBG and/or HOME funding; (2) qualify for funding on the basis of principally benefiting persons at the respective income levels for the CDBG (low and moderate income) and/or HOME programs (extremely low to low income); and (3) meet one

of the County's funding priorities referenced above.

Listed below are specific eligible activities which may be carried out with funds under this NOFA. Please be advised that the CDBG and HOME programs restrict use of the funding. **For example, CDBG funds cannot be used for direct construction costs for new housing. HOME funds cannot be used for shelter improvements as they are not considered permanent or transitional housing.** While the list below is not exhaustive of all eligible activities, it provides a spectrum of the more typical activities funded under the CDBG and HOME programs:

Examples of Eligible Activities*:

CDBG	HOME
Housing Preservation (Permanent)	Housing Preservation (Permanent or Transitional Housing)
<ul style="list-style-type: none"> • Property Acquisition • Rehabilitation 	<ul style="list-style-type: none"> • Property Acquisition • Rehabilitation
New Housing (Permanent)	New Housing (Permanent or Transitional Housing)
<ul style="list-style-type: none"> • Conversion of Non-Residential Buildings to Housing <p>Note: Soft costs and predevelopment costs are not eligible uses for County CDBG funding</p>	<ul style="list-style-type: none"> • Demolition/Site Clearance • Disposition • Relocation • New Construction • Conversion of Non-Residential Buildings to Housing <p>Note: Soft costs and predevelopment costs are not eligible uses for County HOME funding</p> <p>Note: New housing projects must start construction one year from funding award, which will be in May/June 2025</p>
Public Facilities	Public Facilities
<ul style="list-style-type: none"> • Property Acquisition • Rehabilitation • Demolition/Site Clearance • Disposition • Soft Costs/Predevelopment • Relocation • New Construction 	<ul style="list-style-type: none"> • N/A

For more details please see 24 CFR § 92.205 General for HOME Eligible activities (<https://www.ecfr.gov/current/title-24/subtitle-A/part-92/subpart-E/subject-group-ECFRf448ea7bbdfb69a/section-92.205>) and 24 CFR § 570.201 for CDBG Eligible activities (<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-570/subpart-C/section-570.201>)

IV. PROGRAM-SPECIFIC QUALIFYING CRITERIA

1. Income Targeting.

Public Facilities (CDBG only). At least 51% of beneficiaries of the funded activity must be low income. **Beneficiary income must be verified and documented** unless 100% of the population served by the public facility are in a category presumed by HUD to be a principally low-income benefit group or qualifies for funding under CDBG Low-Moderate Area Benefit. To qualify for Area Benefit, the facility must be located in a service area comprised of at least 45% low-income residents ("Low-Mod" in CDBG terminology). Certain areas within the City of East Palo Alto (census tracts 6118; 6119; 6120; and 6121), North Fair Oaks (census tracts 6105 and 6106 and Belle Haven (census tract 6117) qualify for Area Benefit based on demonstrated benefit to a low-income area designated by HUD. Other areas may qualify if it can be determined that the facility serves a defined low-income area.

Presumed Benefit Group(s): The CDBG Program presumes the following groups to be low income. Their incomes need not be documented, but their presumed status must be verified.

- Abused children
- Victims of domestic violence
- Elderly persons (62+ years)
- Adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" (<https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-Memorandum-Developmentally-Disabled-Meet-Census-Definition.pdf>)
- Persons experiencing homelessness
- Illiterate adults
- Persons living with AIDS
- Migrant farm workers

Area Benefit Determination: San Mateo County is considered a high-income area and therefore qualified under the exception criteria to use a low-income area percentage lower than 51%. San Mateo County's exception criteria is **45%** low income (versus 51%). To determine if a facility is located in a qualified service area based on the percentage of low income residents in the applicable census tracts and block groups, please consult staff or go to www.smchousing.org for the list of Census Tracts for Low-Mod Determination. The schedule is in Excel format and allows for computation if necessary. Should DOH Staff or HUD question the selected service area census tracts for eligibility, the applicant may be required to undertake statistically significant household income surveys of the applicable area to support low-mod determination.

Housing. Should a project be approved for funds under this NOFA, Staff will determine how much CDBG, HOME, or a combination of both program funds will be allocated to the

proposed project. While mixed income developments are allowed, all units assisted with County-administered CDBG/HOME funds must be occupied by households at the respective income levels for the CDBG (low and moderate income) and/or HOME programs (extremely low to low income) at affordable rents (excluding the manager's unit). All CDBG-assisted projects must be occupied by qualified lower income households at affordable rents. The current San Mateo County Rent and Income Schedule can be found here: www.smchousing.org Priority will be given to projects targeting Extremely-Low to Moderate Income households (to the extent allowed under the respective programs) with affordable rents.

- 2. HOME-Required Local Match and Affordability Covenant.** HOME funds must be matched with a 25% contribution of non-federal forms of subsidy/funds. Leveraging County funds with matching contributions from non- County sources will be an important consideration in any funding recommendation. Applicants will be responsible for negotiating a non-federal match contribution from the jurisdiction in which their project is located and/or from other sources.

Information about eligible forms of matching contributions can be found in 24 CFR § 92.220. Some eligible forms of matching contributions may include, subject to the requirements set forth in 24 CFR § 92.220:

- Cash contributions from a non-Federal source, including County Affordable Housing Fund (AHF) funds and qualifying program income, the grant equivalent of a below-market interest rate loan to the project that is not repayable to the participating jurisdiction's HOME Investment Trust Fund and meeting federal requirements set forth in 24 CFR § 92.220(a)(1)(iii); and proceeds of bonds that are not repaid with revenue from an affordable housing project and that are loaned to a HOME-assisted or other qualified affordable housing project.
- Forbearance of fees, including the value of foregone or waived state and local taxes, charges or fees or other charges or fees as specified in 24 CFR § 92.220(a)(2).
- Donated real property.
- The cost, not paid with Federal resources, of on-site and off-site infrastructure that the participating jurisdiction documents are directly required for HOME-assisted projects, provided that infrastructure must have been completed no earlier than 12 months before HOME funds are committed to the project.
- Proceeds from multifamily and single-family affordable housing project bond financing validly issued by a State or local government, or an agency or instrumentality thereof, subject to terms set forth in 24 CFR § 92.220(a)(5).
- Reasonable value or reasonable rental value of donated site preparation and construction materials, not acquired with Federal sources.
- Value of donated or voluntary labor or professional services in connection with the provision of affordable housing.
- Direct costs of supportive services to residents of HOME projects
- Direct cost of homebuyer counseling to families purchasing homes with HOME assistance
- Value of Sweat Equity provided to a homeownership project.

Please be advised that owner equity and/or owner cash contributions will not count toward the HOME match requirement.

For HOME funded projects, an affordability deed restriction or covenant must be recorded against the property. This covenant must have an affordability term of a minimum of 20 years for new construction and 15 years for housing rehabilitation. For CDBG-funded projects, an affordability deed restriction or covenant must be recorded against the property, which must have an affordability term of a minimum of 55 years.

3. **Mixed Use Projects.** Housing in a project that is designed in part for uses other than residential use can qualify as affordable housing if such housing meets the criteria for affordable rental and/or ownership housing described in Section IV. The DOH funding portion of total development costs cannot exceed the cost for the affordable housing component in the development.
4. **Community Housing Development Organization (CHDO).** As a HOME jurisdiction, the County is required to set aside at least 15% of its annual HOME allocations for housing projects owned, sponsored or developed by a certified CHDO. CHDO requirements are enumerated in Section 92.2 of the HOME Investment Partnerships Program regulations (24 CFR Part 92). CHDOs are required to re-qualify each time they apply for HOME funds. Therefore, all CHDO applicants that are applying for CHDO funds, must submit the CHDO Certification Form (see Exhibit 2 for form), regardless of past qualification.

V. FUNDING PROCEDURES AND REQUIREMENTS

1. **Religious Organizations.** Funds provided under this NOFA cannot be used for inherently religious activities such as worship, religious instruction, or proselytizing, as a part of the program or services funded by HUD. However, HUD will allow faith-based organizations to access funds for eligible programs and capital projects meeting County funding priorities described above without having to form secular affiliates.
2. **Multiple CDBG/HOME Funding and Entitlement Cities.** Applicants proposing a project/program which will serve a county-wide population or a population located in one or more of the entitlement cities (e.g., Daly City, South San Francisco, San Mateo, and Redwood City), are asked to contact the affected entitlement city for funding. ***The County will fund only that portion of the project's budget which affects the Urban County jurisdiction under 42 U.S.C. § 5302(a)(6). The County's Urban County consists of the unincorporated areas of the County plus 16 small cities and towns.*** Excluded from the Urban County are the four largest cities – Daly City; South San Francisco; San Mateo; and Redwood City.

CDBG and HOME contacts in the entitlement cities in the County:		CDBG	HOME
Daly City	Ann Cooney (650) 991-8255 acooney@dalycity.org	√	√
South San Francisco	Alvina Condon (650) 829-6621 Alvina.condon@ssf.net or cdbg@ssf.net	√	
San Mateo	Rachel Horst (650) 522-7223 rhurst@cityofsanmateo.org	√	
Redwood City	Madiha Haque (650) 780-7229 mhaque@redwoodcity.org	√	√

3. Project Proposals with Location Outside Urban County Jurisdiction. Applicants requesting CDBG funding for a project that will be located outside the Urban County jurisdiction (i.e., outside the unincorporated County areas or the 16 small cities and towns within the scope of the Urban County), must demonstrate that residents of the Urban County jurisdiction will receive the principal benefit from the Urban County CDBG funds requested.

4. Funding Structure.

Housing Developments: County funding assistance for housing developments awarded under this NOFA will generally be structured as loans. DOH staff assigned to your contract will work with the sponsor borrower to develop loan terms to ensure financial feasibility for the project.

Public Facilities: Funding for public facilities projects awarded under this NOFA will be structured either as grants or loans, typically carrying 3% simple interest deferred loans. Funding for improvements to a leased facility may likely be forgiven over a period of time to be negotiated and determined based on the amount of CDBG funding and other factors.

5. Project Schedule. When preparing the project schedule, applicants should factor in sufficient time for various administrative procedures. These include County preparation of the HUD-required environmental review, negotiation, and execution of the funding agreement between your organization and the County, and formal approval by the County. Funding agreements exceeding \$200,000 require review by the County Attorney and Board of Supervisors approval. When planning your project schedule, please allow four (4) weeks to four (4) months for preparation and full execution and approval of the agreement by the County before your organization can access the funding.

6. Federal Labor & Building Materials Sourcing Requirements. Projects receiving HUD funds may be subject to federal labor and/or materials sourcing requirements for construction activity. Applicants are responsible for understanding and complying with those requirements as well as documenting compliance and supplying documentation to DOH staff upon request. A summary of such requirements is provided below.

Federal Requirements	Requirements	Threshold (applies to Prime & Subcontracts)
Davis-Bacon – HOME-funded projects	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required.	12+ HOME-assisted units will trigger this requirement regardless of the amount of HOME funds invested in a project. Note: 9+ project-based Section 8 vouchers for new construction or rehab of housing will also trigger David Bacon requirements.
Davis-Bacon – CDBG -Funded Housing Rehab	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required.	Rehab of housing projects involving 8+ units, regardless of construction contract amount. (CDBG cannot be used to pay for direct hard costs of new housing construction.) For more information: https://www.hud.gov/program_offices/davis_bacon_and_labor_standards
Davis-Bacon – CDBG-Funded Non- Residential Construction	Payment of prevailing wages to on-site construction workers (laborers & mechanics). Identification of the applicable wage decision number and provision of weekly certified payrolls are required.	CDBG funded construction contract of \$2,000+, regardless of CDBG investment amount. For more information: https://www.hud.gov/program_offices/davis_bacon_and_labor_standards
Section 3	Good faith efforts to hire qualified local low-income residents/businesses. A public housing resident in San Mateo County will meet this requirement. This is applicable only if the project construction generates new hires. <u>Goals:</u> Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.	Construction contract in amounts greater than \$100,000 will generate this requirement if CDBG/HOME funds in excess of \$100,000 are invested in construction contract activity.

Minority Business Enterprise / Women-owned	Good faith efforts to hire/contract with minority and women-owned businesses; includes subcontracts.	Any prime or subcontract of \$10,000+.
“Buy America Preference” (BAP) imposed by the Build America, Buy America Act (BABA)	Must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 et. seq., and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, “Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance” (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, which will likely be all HOME/CDBG funding awarded under this NOFA, are subject to BABA requirements, unless excepted by a waiver.	Until November 2027, applicable if the project cost is equal to or greater than \$250,000 OR if the cumulative total of federal funding is greater than 5% of the total cost of the iron, steel, manufactured products, and construction materials used / incorporated into the infrastructure project (max of \$1M) For more information: https://www.hud.gov/baba

7. Payment of Prevailing Wages. In addition to the information in the above table, please note that if State funds are invested in a project, the stricter of the State or Federal wage determination shall apply and must be used by the project sponsor.

Additionally, the process to comply with the Davis-Bacon Act federal labor standards may add two or more weeks to your bidding process. Compliance activities include accessing the appropriate current prevailing wage decision from the federal Department of Labor website (www.access.gpo.gov/davisbacon), reviewing the draft and final bid documents by County Housing staff, advertising for bids, bid opening, award, and holding a preconstruction conference. Negotiated bids are acceptable provided that the Project sponsor can substantiate reasonableness of the price.

When obtaining construction cost estimates to support applications for projects under this NOFA, it is strongly advisable to secure two bids made on the basis of union scale (even if the bidder may be non-union) so that project costs will not unexpectedly increase as a result of the prevailing wage requirements. Costs for accessibility modifications for persons with physical disabilities and builders risk insurance may need to be included in the estimate. For public facility improvements, copies of cost estimates, if available, should be attached with the application.

The monitoring of prevailing wage for capital projects can be time-consuming and expensive. **The cost of monitoring and reporting of the Davis-Bacon required activities may be handled by a third party retained by the County as needed and charged to the project and netted out of the amount allocated to the applicant's project.**

8. **Environmental Review Process.** Federal regulations require local jurisdictions to prepare a NEPA (National Environmental Protection Act) environmental review (ER) determination for every activity funded with federal funds to examine environmental impacts on the built and natural environment. **For complex projects, including most capital projects, the ER may take approximately 6 to 16 weeks to complete.** If environmentally significant conditions are found and/or mitigation measures required, the time to complete the ER process will be extended.

For capital projects, this process can be time-consuming and expensive. The cost of preparation of the ER by a consultant retained by the County will be charged to your project and taken out of the amount allocated to your project. DOH may incur these costs prior to execution of a funding agreement, with the total cost of the ER reimbursed to the DOH from your allocation or loan proceeds. Be advised that an organization cannot undertake any choice-limiting activities in relation to the project during the ER period. These activities include acquisition of real property, leasing property, rehabilitation, demolition, construction of buildings or structures, relocating buildings or structures, and/or conversion of land or buildings/structures. These actions could potentially have an adverse environmental impact, thereby limiting the choice of reasonable alternatives prior to completion of the ER.

9. **Mandatory Acknowledgement of County and HUD Funding.** All projects receiving any type of funding assistance and or substantial technical assistance through DOH will be required to state and acknowledge such funding in any advertising, marketing, public presentations, press releases, written materials, or project descriptions. Such acknowledgement should also identify HUD as a funding source. Capital projects must attach signage which must be approved by DOH Staff in advance and which acknowledges the County and HUD as funders.

10. **Required Agreement between Funded Agency and County.** As noted, if you have been awarded County funds for your activity under this NOFA, do not commit or obligate these funds in any way before completion of the ER and before an agreement between your organization and the County has been fully executed and approved by the County. If you commit or obligate the funds before the agreement is fully executed and approved by the County, the County will not reimburse you for pre-agreement program costs.

11. **Acquisition.** If you are requesting funds for real property acquisition under this NOFA, the purchase agreement/option should allow sufficient time for performance of required CDBG/HOME and County administrative activities **including the ER.** A recent appraisal and preliminary title report for the property to be acquired should be attached to the application if an agreement to acquire or option for the property is in place. If an appraisal is not available at the time of application, please submit the appraisal as soon as practical and in no event later than 30 days after the application due date. **An appraisal will be required if the proposed project involves acquisition even if you do not intend to use funds awarded under this NOFA for the acquisition.**

If the acquisition price of property is significantly higher than its appraised value, the County may reject the application or deny the funding unless the price can be negotiated to be

reasonably close to the appraised value, or the applicant can provide a justification for the difference, as determined in the County's sole discretion.

- 12. Property Quality and Efficiency Standards.** Housing that is assisted with funds under this NOFA must meet federal housing quality standards. Newly constructed or substantially rehabilitated housing must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances. Newly constructed housing must meet energy efficiency standards of the current edition of the Model Energy Code published by the Council of American Building Officials. Substantially rehabilitated housing must meet the cost-effective energy conservation and effectiveness standards set forth in 24 CFR part 39. Housing that satisfies Title 24 of the California Energy Code meets the above requirement.
- 13. Hazardous Materials:** It is HUD policy, as described in 24 CFR §50.3(i), that "(1)... all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. (2) HUD environmental review of multifamily and non-residential properties shall include evaluation of previous uses of the site and other evidence of contamination on or near the site, to assure that occupants of proposed sites are not adversely affected by the hazards...[listed above]" Per HUD Guidance, sites known or suspected to be contaminated by toxic chemicals or radioactive materials include but are not limited to sites: (i) listed on an EPA Superfund National Priorities or CERCLA List, or equivalent State list; (ii) located within 3,000 feet of a toxic or solid waste landfill site; or (iii) with an underground storage tank (which is not a residential fuel tank). For any of these conditions, the grantee must provide an ASTM Phase I report. See <https://www.hudexchange.info/programs/environmental-review/site-contamination/>.
- 14. Lead Mitigation Requirement:** HUD requires that certain housing projects built before 1978 meet lead-mitigation standards, including proposed eligible housing rehabilitation, tenant-based rental assistance, acquisition, leasing, support services, and operations activities. Housing that is exclusively for seniors or persons with disabilities is exempted from this requirement, unless a child under age 6 is expected to reside at the project. Dwellings that are 0-bedroom dwellings, including efficiency apartments, single-room occupancy structures (SROs), or rentals of individual rooms in residential dwellings are also exempt from the lead mitigation requirement.
- 15. Accessibility Requirements.** Federal law requires that housing and non-housing developments and programs assisted with federal funds comply with accessibility requirements under Section 504 of the Rehabilitation Act of 1973. This Act prohibits discrimination on the basis of disability in the provision of programs, facilities and employment supported by Federal funds. For capital projects, the DOH may ask that developers and their architects sign a certification that their construction documents meet the federal accessibility requirements.

In the case of multifamily rental housing, projects of five or more units must be designed and constructed to be readily accessible to and usable by persons with disabilities. For new construction involving five or more units, and substantial rehabilitation projects of 15 or more

units (with substantial rehabilitation defined as rehabilitation costs representing 75 percent or more of the replacement costs of the completed facility), the following requirements must be followed: a minimum of 5 percent of the dwelling units must be accessible to individuals with mobility impairments and an additional 2 percent accessible to individuals with sensory impairments. At minimum, one unit shall be made accessible to mobility-impaired individuals and one unit accessible to sensory impaired individuals.

When less than substantial rehabilitation is undertaken in multifamily rental housing projects of any size, these alterations must, to the maximum extent feasible, make the dwelling units accessible to and usable by individuals with disabilities, until a minimum of 5 percent of the dwelling units (but not less than one unit) are accessible to persons with mobility impairments; for this category of less than substantial rehabilitation, the additional 2 percent of the units for persons with sensory impairments does not apply. Also, for this category of rehabilitation, if undertaking accessibility alterations imposes undue financial and administrative burdens on the operation of the multifamily housing project, the alterations are not required.

The project sponsor and their architect will be required to execute a certification of compliance which identifies the specific units meeting these requirements.

16. Fair Housing. Projects funded under this NOFA must comply with the Fair Housing Act, which prohibits discrimination in housing practices on the basis of race, color, religion, sex, familial status, disability and national origin. This Act further establishes requirements for the design and construction of rental or for-sale multifamily housing to ensure a minimum level of accessibility for persons with disabilities. For units designed and constructed for first occupancy after March 13, 1991, the units, including public and common areas, must be designed and constructed in accordance with certain disability standards. The Act makes a distinction between "covered" and not "covered" dwelling units. Covered multifamily dwelling units are units in buildings consisting of 4+ units served by one or more elevators, or ground floor dwelling units in other buildings with 4+ units.

17. Demographic Data on Project/ Program Beneficiaries. If your proposed project – housing or non- housing - is funded, you will be required to provide DOH with various client/program beneficiary demographic data depending on the type of project. The required data may include: client household income, client racial/ethnic background, housing status, and head of household information. HUD and the HCD require demographic reporting in a variety of categories including but not limited to race/ethnicity. The County will provide you with required reporting forms.

In addition, if your project qualifies for funding under CDBG criteria limiting benefit to very-low and low-income individuals, you will be required to verify your clients' income by obtaining employment verification and/or benefits income verification and/or tax returns or client self-certification.

18. Relocation. If your capital project – housing or non-housing - involves either temporary or permanent displacement of tenants, homeowners, or businesses, you may have to pay relocation expenses under either the Uniform Relocation Act (URA) or Section 104(d) of the Housing and Community Development Act. These costs can be substantial and must be

included as part of your total project costs. Relocation costs are an eligible activity under HOME and CDBG programs. While relocation costs are eligible activities under the funding provided by this NOFA, your application will be reviewed for your ability to obtain other sources of funding to support various costs, including relocation. If you anticipate that your project may involve relocation, please contact the DOH staff to discuss relocation issues and applicable federal requirements. Relocation assistance and payments for eligible persons under Section 104(d) or the URA both require a rental assistance payment based on a period of several months – 42 months under URA and 60 months under Section 104(d).

19. Funding on Reimbursement Basis. The County funds programs under this NOFA on a reimbursement basis. Reimbursement is provided only upon submission of complete documentation of performance of program goals and supporting documentation showing that costs for implementing the program have been reasonably and necessarily incurred and paid.

In exceptional cases where it is not possible for the project sponsor to advance necessary project costs and seek reimbursement, the County may authorize direct payment to a third party after certification from the project sponsor that work has been satisfactorily completed and accepted and supporting documentation for the costs have been provided.

For acquisition projects, the portion of County funds for acquisition costs is deposited directly into escrow with instructions for release upon satisfactory completion of escrow requirements.

20. Timely Use of Funds. If funds are awarded to your project, the funds must be obligated (i.e., under contract) by **November 30, 2025 for public services, PLHA/Federal - State ESG, minor home repair and economic development projects. For public facilities and rehab projects the funds must be obligated (i.e., under contract) by January 30, 2026.** If the funds have not been obligated by that date, the DOH Director will review the project status to determine in their discretion whether the funding award for your project should be extended. Please be advised that such extensions are not automatic, and must be justified by the project sponsor. If an extension is granted and the funds have still not been obligated by the extended deadline, the DOH Director will withdraw the funding award. Any unexpended funds at the end of the contract period will be forfeited to the County and reallocated for other, eligible purposes.

21. Financial Audits. Applicants are required to submit with their application a copy of the most recent¹ certified financial audit prepared by an independent CPA firm, including any management letters. Annual submission of yearly financial audits reports will also be required during the term of the financing or funding agreement under this NOFA. If your organization has expended \$750,000 or more of federal funds from any source in the audited year, the audit should include a "single audit" and be in compliance with federal OMB Circular A-122 or A-133, depending on whether your entity is a nonprofit organization or public agency. If applicants have not expended \$750,000 or more of federal funds from any source in any one year, they must attach a certification attesting to this fact. See Exhibit 2 for an example certification letter.

22. Green Building. San Mateo County is committed to funding affordable housing projects that incorporate Green Building (often referred to as "sustainable building") practices, materials, and technologies. Applicants should articulate how their proposed project will be integrated to the site and region; use energy, water, and materials wisely; minimize and recycle construction waste; create their own energy; result in a durable and easily maintained building; promote good health for both construction workers and residents; and enhance housing affordability.

23. Background of Nonprofit Organizations. All nonprofit organizations applying for funds must meet the following requirements:

- Governing Body - Governing body of the organization should be vested in a responsible and active voluntary board which meets at least quarterly and establishes and enforces policy. The governing body should be large enough and so structured to be representative of the community it serves.
- Personnel/Staffing - The organization must provide for adequate administration of the project to ensure sufficient capacity to carry out the development or activities requested for funding under this NOFA. At minimum, one person should be designated the full-time director of the organization.

24. Authorization for an Application for Funds and Designation of a Person to Execute Documents. Nonprofit applicants should submit a copy of their Board resolution authorizing the nonprofit to make an application for funds and a copy of their Board resolution designating a person responsible for executing all documents related to the funding. Applicants may combine the authorization of the application for funding and designation of a person to execute documents into a single resolution.

25. Fingerprinting Requirements. The County requires that all contractors, assignees, and volunteers of agencies doing business with the County and who during the course of performing services, may have contact with children, be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children.

26. Equal Benefits Compliance. Any party entering into contract with the County must offer equal benefits to their employees. The County Ordinance prohibits discrimination in the provision of employee benefits between an employee with a same-sex married spouse and an employee with an opposite-sex married spouse.

27. Debarment. The Housing & Community Developments Act of 1974, 24 CFR Part 5 provides that assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any Contractor or sub-recipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR part 24. This provision covers all Contractors and sub-recipients, as well as subcontractors of Contractor or sub-recipient, whose names are included in the "List of Parties Excluded from Federal Procurement and Non-procurement Programs." The debarment list can be found on-line at www.sam.gov

28. Special Needs Housing. For HUD reporting purposes, buildings used to provide supportive housing for special needs populations (as defined below) may be classified as either housing or a public facility depending on factors including, but not limited to, clientele served, level of services provided, proposed funding sources and uses, tenure duration of residents, and whether residents' stay is conditioned on receipt of services. If the program proposed for the building requires licensing it will automatically be classified as a public facility and does not qualify for HOME funding, however, CDBG funds may be used to assist these licensed residential facilities.

29. Persons with Special Needs. Under CDBG and 24 CFR § 570.208(2), persons with special needs includes: abused children; individuals and/or veterans that are experiencing homelessness or are at risk of homelessness; survivors of domestic violence; seniors (62+); adults and families with children with serious disabilities; illiterate persons; persons living with AIDs; and migrant farm workers. For County purposes, persons with special needs shall also include, but not be limited to, mentally ill persons; emancipated youth; seniors aging in place (for service-related programs); frail seniors (for housing); persons recovering from substance abuse; and persons recently released from jail or prison.

Grantees and subrecipients providing services or supportive housing to **Persons with Special Needs** as defined above must verify the eligibility of beneficiaries of County, CDBG, HOME and ESG funding.

VI. EVALUATION CRITERIA

Applications will be evaluated by County Staff and the HCDC based on the following criteria:

- 1. Threshold Criteria.** In order to be considered for funding, the proposed project must be submitted by an eligible applicant, received on time, be complete, and meet the requirement that the project be both eligible and qualify under CDBG and HOME regulations.
- 2. Evaluation Criteria.** Once a project is determined to meet the threshold criteria, the proposed project is then evaluated against the following additional criteria:
 - Funding Priority: Extent to which the proposed project addresses one of the NOFA funding priorities listed in Section III of this NOFA.
 - Applicant Capacity/ Capability: Capacity of applicant (AKA project sponsor) to carry out proposed project/program in a timely manner, including demonstrated positive outcomes (preference for organizations with affordable housing experience in the nine-County Bay Area and a successful track record of at least two years of development, ownership and management of at least two stand-alone affordable housing projects within the nine-County Bay Area in which 100% of the units, with the exception of the manager's unit(s), are targeted to those at or below 80% of AMI), demonstrated ability to complete administrative requirements (i.e., performance reports, City Data Services (CDS) and/or HMIS and/or Sage data entry), and satisfactory performance on any past and/or current contracts with the County.
 - Project Feasibility/ Readiness: Reasonableness of proposed timeline for implementing

and completing the project.

- **Leveraging:** Extent to which other (non-County) funding sources have been sought and committed to the proposed project or program.
- **Site Control:** Applicant must own or otherwise have the authority to carry out the work on the multifamily property under consideration.
- **Services Budget:** For projects with permanent supportive housing units, the Project's 30-year operating cash flow must include a Services budget of at least \$500 per unit per annum (PUPA).

VII. APPLICATION SUBMISSION

1. **Application Preparation Workshops.** As noted above, DOH will host an application preparation workshop on Thursday, January 8, 2025, at 2 pm PST through a virtual conference meeting. Zoom meeting link and time will be posted on the County's NOFA webpage at www.smchousing.org. Attendance by applicants is not mandatory but highly encouraged, especially for new applicants/projects to the County. Instruction on the use of the City Data Services application process will be provided.
2. **Submission Requirements: On-Line Submission** at www.citydataservices.net/. There are two (2) distinct application forms depending on program type: (1) Housing Development; (2) Public Facilities. Applicants must fill out only the applicable form for the program type relevant to their project. Submit one application per program funding request.

For new applicants, SMC2025 is both the User ID & password. Please select "Housing – San Mateo County" from the Type of Application in the drop-down menu.

A full application submission consists of a completely filled-out application that includes and attaches all relevant documents, including sources and uses, and project operating financial projections.

3. **Submission Deadline.**

Only on-line application submittals will be accepted. Applications are due **Thursday, January 21, 2025, 4:00 P.M. PST.** Late or incomplete applications will not be accepted.

4. **Information and Assistance.** DOH Staff and CDS are available to answer questions regarding the NOFA and preparation and submittal of the application. You may contact the following persons:

Question Areas	Name	Phone	E-Mail
Program or Application related	Karen Coppock	(650) 453-0697	kcoppock@smchousing.org
Online application related	City Date Services	(650) 533-5933	citydataservices@yahoo.com

Exhibit 1:
Sample Certification for No Single Audit Requirement Needed

(Please insert sample language onto your agency letterhead stationery)

Department of Housing
County of San Mateo
264 Harbor Blvd., Bldg. A
Belmont, CA 94002

Dear: _____:

This is to certify that as _____(title) for our agency. _____(name of agency) did not expend more than \$750,000 of federal funds from all federal sources during the fiscal year ending _____. As such, our independent financial audit submitted with this application was not required to comply with the single audit requirements set forth in OMB A-122 or A-133.

Name (signature)

Print Name

Title

Date

Exhibit 2
Attachment 15 (Housing Application)
CHDO Certification/Recertification
FY 2024-25

HUD recommends that Community Housing Development Organizations (CHDOs) be certified annually, but at a minimum, a CHDO must re-qualify each time it receives HOME CHDO set-aside funding. If you are a CHDO under the County HOME Program and are applying for HOME funding in this application, please provide the following requested documentation with your application:

Date: _____
Organization Name: _____
Address: _____
State & Zip: _____
DUNS #: _____

Instructions for completing the CHDO Certification: Use the tab key to navigate from question to question. Where there are check boxes, click on the appropriate box to put an "x". Attach any indicated documentation not already provided with your application. Clearly label each attachment.

Submit this form along with all attachments. This information must be submitted with your application.

CHDO Certification History

If you have been certified as a CHDO in the past by the County, please indicate the date or most recent funding year: _____

A. Legal Status
<p>1. Provide a copy of your articles of incorporation. Your organization must be organized under State of California law.</p> <p style="text-align: center;"> <input type="checkbox"/> See attached. <input type="checkbox"/> Already provided with application. </p>
<p>2. CHDOs must document that no part of its earnings inure to the benefit of any member, founder, contributor, or individual.</p> <p style="text-align: center;"> <input type="checkbox"/> See articles of incorporation <input type="checkbox"/> See other document (specify): </p> <p>Specify exactly where in the indicated document this information is set forth:</p>

3. Provide a copy of your IRS tax exemption ruling.

- See attached. Already provided with application.

4. Provide documentation that states that among your organization's purposes, is the provision of decent housing that is affordable to low- and moderate- income persons.

- See articles of incorporation See Mission Statement See Resolution
 See other documentation (specify):

Specify exactly where in indicated document this information is set forth:

B. Capacity

1. CHDOs must conform to the financial standards of 24 CFR 84.21 "Standards for Financial Management Systems."

- See statement by the president or chief financial officer of the organization.
 See certification from a Certified Public Accountant.

2. CHDOs must demonstrate capacity to carry out activities assisted with HOME funds through **paid experienced staff**. Please explain how your CHDO is meeting this requirement. _____

- See resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds.
 See attached agreement/contract with consultant with demonstrated housing experience similar to projects to be assisted with HOME funds. This agreement/contract indicates that consultant will train appropriate key staff to undertake proposed project.

3. CHDOs must have a history of serving the community within which is located proposed housing to be assisted with HOME funds.

- See attached statement signed by the president or other official of the organization which documents at least **one year** of experience in serving the community.
 For newly created organizations formed by local churches, service or

community organizations, see attached statement signed by the president or other official of the organization that documents that the parent organization has at least **one year** of experience in serving the community.

C. Organizational Structure

1. CHDOs must maintain at least **one-third** of its governing body's membership for residents of a low-income **neighborhood**, other low-income community **residents**, or elected representatives of **low-income neighborhood organizations**.

Indicate how low-income membership is defined:

- Low-income persons
- Low-income neighborhoods
- Elected representative of low-income neighborhood organization

Provide a recent Board resolution (not older than 12 months) certifying how you are meeting this requirement.

Also, please provide a current Board roster indicating who and how the "low income" member qualifies).

2. HOME rules define a CHDO community in urban areas as one or several neighborhoods, a city, county, or metropolitan area.

Indicate your CHDO community:

3. HOME requires a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects.

This process is defined in (indicate document and location within document; attach if not already included in this submission):

Also attach a recent Board resolution (not older than 12 months) indicating that you will implement this formal process for the CHDO project for which you are requesting funding assistance.

4. If your CHDO is sponsored/created by a State or local government, HOME rules require that the State/local government cannot appoint more than one-third of the board members; these State/local government-appointed board members cannot appoint the other 2/3 of the Board; and no more than 1/3 of the governing Bd. members can be public officials.

Not applicable in San Mateo County

5. If your CHDO is sponsored/created by a for-profit entity, HOME rules require that the for-profit may not appoint more than one-third of the CHDO's governing body; and these governing body members cannot appoint the other 2/3 of the Board.

Not applicable

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found:

D. Relationship with For-Profit Entities **Check here if this section is not applicable**

1. CHDOs cannot be controlled, nor receive directions from individuals or entities seeking profit from the organization.

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found:

2. CHDOs may be sponsored or created by a for-profit entity, however, the for-profit's primary purpose does not include the development or management of housing.

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found:

3. CHDOs are free to contract for goods and services from vendor(s) of its own choosing.

See documentation evidencing this rule. Indicate what documentation is being provided and where in the document this is to be found: