

## San Mateo County Local CoCBUILDS Q&A

Updated September 25, 2024

### **1. Does the project have to be 100% affordable?**

No, HUD does allow mixed-use projects where some units in the development are market rate or not dedicated to Permanent Supportive Housing (PSH). However, the funds requested from CoCBUILDS can only be used for the PSH units. For example, if there are 100 units in a development and 20 are dedicated to PSH, CoCBUILDS funds can only be requested to support the costs of the PSH-dedicated units.

### **2. Is there a per-unit cap on funding?**

No, HUD has not set a per-unit funding cap. However, as with all federal funds, the costs are subject to a reasonable cost analysis, meaning costs should be comparable to similar projects in the area. There is a \$7.5 million total award cap for the local project selected to be submitted for San Mateo County.

### **3. Is the required match 25% of requested CoCBUILDS funds or 25% of total project costs?**

The required match is 25% of requested CoCBUILDS Funds. For example, if a project requests \$5 million in CoCBUILDS Funds, \$1.25 million would need to be provided as match from other documented sources to be used on eligible costs through this opportunity. [24 CFR 578.73](#) provides the information regarding match requirements.

### **4. If we have also requested HUD 202 funding, are we still eligible to request CoCBUILDS Funding?**

Applicants may apply for both funding opportunities, CoCBUILDS and HUD 202. However, applicants may not use multiple HUD funding streams for the same units in a development site.

### **5. As someone new to the game, where would you start with resources provided?**

Applicants who are unsure of where to start may want to review the timeline requirements from HUD (as outlined in the presentation and HUD NOFO) and the rating criteria on pages 35-40 of the NOFO to understand how closely their project aligns with HUD's scoring criteria. All applicants are strongly encouraged to review the entire NOFO document before submitting an application.

**6. Do CoCBuils applications need to have vouchers attached to the PSH units?**

Projects with stable funding sources in place for the ongoing operation and rent will be most competitive in this application. Project Based Rental Assistance is an eligible funding category for up to 20% of requested CoCBuils Funds. These funds are eligible for possible renewal under the regular Continuum of Care NOFO competition, but ongoing award of these funds is not guaranteed. The local application also asks for the applicant's plan to maintain affordability over time.

**7. Is there only one application that can be submitted per county?**

Only one application can be submitted to HUD by each Continuum of Care for scoring in the national competition. Continuums of Care sometimes align with County borders but can also include multiple counties or include areas smaller than counties.

**8. How many CoCs are there nationwide?**

44 CoC's are in California, and some resources indicate there may be over 400 CoC's nation-wide.

**9. If we save 5 units for homeless and the rest for low income, can we receive funding just for those 5 units?**

The proposed project can be part of a mixed-use site, where some units are dedicated to Permanent Supportive Housing and some are not, so long as the requested CoCBuils project only funds the PSH units on the site. In the example you provide, if 5 units were dedicated to PSH, CoCBuils funding could only be applied to those units 5 units, not the entirety of the development.

HUD did not specify a minimum number of PSH units that a project must produce. Also, there is no minimum or maximum per unit limit to the allocation of the CoC capital award.

However, development costs for the entire project must be reasonable and must be allocated pro rata across all the units (you cannot disproportionately allocate higher development costs/unit for PSH units in order to maximize your award).

There is a minimum award amount of \$1,000,000, so the request could not be lower than this threshold. San Mateo County's locally selected applicant is eligible to request a maximum award of \$7.5 million. If there is more than one Local Application that seems eligible to apply for the HUD NOFO, the CoC may reasonably choose to prioritize an eligible project that qualifies for more of the available funding to create more PSH units.

**10. The owner of the project we propose for CoCBuils is a limited partnership with both a nonprofit tax-exempt Managing General Partner and a for-profit Administrative General Partner. Will this entity qualify if the nonprofit tax-exempt organization submits the CoCBuils application?**

The intent of the CoCBuils limitation of eligible applicants to nonprofit organizations seems similar to the eligibility rules for HUD 202 where a for-profit limited partnership is eligible to apply but **only if the sole general partner is a nonprofit**.

Because your project has both a for-profit and a nonprofit general partner, then, applying the same eligibility rules as for HUD 202, we believe the project would be ineligible for CoCBuils because it will also have a for-profit general partner. For more information, see <https://www.hud.gov/sites/documents/14-10HSGN.PDF>.

**11. Do we need an appraisal by the 27<sup>th</sup> of Sept?**

We are asking that requested attachments be submitted with the application on the 27<sup>th</sup>, but don't want to prohibit a project from applying just because they may be missing an attachment. If there are attachments that an applicant does not have available by the September 27<sup>th</sup> local deadline, the applicant should upload an explanation of either (1) why the attachment is not relevant to your project or (2) why you were not able to upload by the deadline.

**12. Does this funding trigger prevailing wage?**

HUD has not yet given direct guidance on whether CoCBUILDS funding triggers compliance with the Davis Bacon Act or other federal labor requirements. The County is seeking a formal response from HUD on this question, and we will update this document once a response is received.

**13. Do we need to be entitled by the 27<sup>th</sup>?**

No, the project does not need to be entitled by the 27<sup>th</sup>. However, the project timeline in the local application should include a preliminary development schedule that lists your schedule of benchmark activities, showing those that are completed and projected dates for those not completed, including the status of entitlement. Question B.1.6 should also discuss entitlement status including any planned dates or anticipated challenges.

**14. Do we need to be a 501c designation by the 27<sup>th</sup>? We have submitted the 501c application and expect to receive the designation in the next few months.**

The CoCBUILDS NOFO list of eligible applicants says that “nonprofits having a 501(c)(3) status with the IRS” are eligible applicants. Given this, the organization would not be an eligible applicant until that status is received. The local review of applications is to ensure local applicants meet all HUD requirements and to select the applicant most likely to be competitive nationally. Therefore, applicants should have 501(c)(3) status by the local deadline to be able to make the eligibility determination for local applicants.

**15. Will you take the experience of one employee in the nonprofit?**

Overall, applicants should speak to the combined historical experience of their organization, which can include a description of the experience of one employee who may be leading the implementation of this project. There is no local criterion requiring nonprofits to be a certain size or operating for a minimum length of time. However, applications will be scored on HUD’s criteria in the NOFO which asks for past development and managing experience of similar projects.

**16. Do we need to have site control by September 27<sup>th</sup>, 2024?**

No, however if site control is not yet achieved, the preliminary development schedule and question B.1.5 should speak to when site control is anticipated, any foreseen challenges, and speak to how required HUD timeliness will be achieved. For attachments related to site control, applicants should upload an explanation of why the attachment is not relevant to the project or why it could not be uploaded by the deadline.

**17. Part C. Implementation schedule. What does complete mean? Complete schedule or completed steps?**

Part C of HUD's Rating factors in the NOFO is asking for the applicant to provide a complete schedule, not indicating that all steps in that schedule must already be completed.

**18. Management: can we use experience of an employee who asset managed/ property managed? Or can it be a property management company that has that experience?**

For the sections of the application related to property management, applicants should be speaking to the experience of the entity that will be tasked with managing the property. Applicants may also include the relevant property management experience of other organizations in the applicant team that will be involved in the project, but it should be clearly delineated from the experience the organization that will be managing the property will bring.

**19. 50 PSH beds available in a given year for each 100 people in the population that is proposed to be served? Can you elaborate on this?**

This criterion is part of the "unmet housing need" section of HUD's ranking factors. The Continuum of Care will need to make the calculation referenced in this section based on local homelessness related data. The CoC will assist the local applicant that is chosen to submit a HUD award with generating the data needed for this response for the full HUD application.

**20. Leverage 25% of the award. Will they allow a Tax credit to show leveraging?  
Where should it come from?**

The project requires a 25% match of total requested funds. Visit HUD's [match requirement page](#) for more information. Showing additional leveraged funds for the projects will result in a higher score. Page 36 of the NOFO indicates that Low Income Housing Tax Credits can be used as a leverage source.

**21. Does the County of San Mateo provide funding for permanent supportive housing services?**

Up to 20% of the request can be for supportive services costs to pair with the newly created PSH units. These costs could fund those services through the length of the grant term. Operating costs/supportive services or Rental Assistance funded through this project may apply for ongoing funding through the regular CoC NOFO competition, but funding is not guaranteed. Applicants should have a plan for how the full cost of supportive services will be covered during and after the CoCBuils grant term.

**22. Good Standing Certificate- would this need to be dated within 30 days of the local application deadline?**

You may provide a recent Good Standing Certificate, with explanation of when a current one will be provided.

**23. Track Record of Developer- is this strictly asking for new construction projects within the last 10 years?**

As indicated in Section A.1.8 of the local application, "Describe up to *four Affordable housing projects completed in the last ten years* with units serving people experiencing homelessness." HUD will consider new construction, acquisition, and rehabilitation projects under this NOFO. HUD is looking for the applicant team to demonstrate experience with other projects that have a similar scope and scale as the proposed project. Given this, applicants should provide examples of past projects that are most similar to the proposed project, which could include affordable housing projects completed through new construction or rehabilitation.

**24. Are there any specific underwriting guidelines necessary to include in the application?**

The local application will be reviewed to determine the financial feasibility of the project and the competitiveness of the project to satisfy the federal NOFO threshold and competitive scoring criteria.

**25. Is there an expected date for HUD to announce the CoCBUILDS awards?**

In HUD's webinar, HUD staff estimated that awards would be announced in the first calendar quarter of 2025 and this is recorded in their transcript of the webinar. However, this is just HUD's estimation at this time and is subject to change.

**26. Please provide any guidance, a template, or parameters on the "Executed Memorandum of Understanding among all entities participating in the Applicant Team."**

There is not a specific template for the Memorandum of Understanding (MOU), but the executed MOU attachment should include the items listed below for all the entities identified in the application that will support the successful implementation of this project. Per sections A.1, A.2, and A.3, these entities should include the developer or owner, the property management entity, and the supportive services entity.

The MOU should include:

- a. A description of roles and responsibilities of each member on the applicant team (including developer, property management and supportive services team members)
- b. Authorization of the submission of the team's response to the CoCBUILDS application by all organizations/entities on the applicant team. This is to ensure all entities involved in the project are aware of and agree to the submission of this application.
- c. Confirmation that all organizations/entities on the applicant team acknowledge and agree to the requirements for this funding opportunity as outlined in the local application and HUD NOFO.

**27. There are a few required attachments that revolve around the existing improvements such as photographs, buildings drawings, and other third-party reports. Is this only applicable for rehabilitation/renovation of existing residential units or would this be applicable for new construction projects, as well? For example, we are demolishing an existing retail building to allow construction of the proposed project. Are you interested in the existing retail building that we plan on demolishing?**

The project you describe would not need to submit photographs, buildings drawings, or reports related to structures that will be demolished. The intention was to require these attachments to gather details about existing buildings that would be rehabbed. For new construction, you would want to look at attachment B.3.12 which includes “Preliminary Site Plan, Elevations, Unit Design, and other Available Drawings” to provide information pertaining to the planned development at the site.

**28. Should we only include the applicant, or should the developer and borrower entity should also be added to the MOU? And who should be signing the MOU? Should it be signed by senior executives from the entities involved, or would a signature from the lead assisting with the CoCBuils application from each entity be sufficient?**

Refer to question 26 for your first question. The MOU signatures should be from someone in each organization who is authorized to sign contractual agreements on behalf of the organization.