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## **QUESTIONS AND ANSWERS AFFORDABLE HOUSING PROJECTS RFP**

Updated May 17, 2021

### **Is there a list of properties in the City that are available for development? Or, is this just meant for projects that are already in progress?**

The City maintains a list of properties that are zoned for multifamily development and used to meet the City's lower-income Regional Housing Needs Allocation (RHNA), in coordination with the Housing Element of the General Plan. As a part of the Housing Element underway now, the City has also identified a number of candidate sites that may be rezoned for multifamily housing; however, there is no guarantee any of the noted sites will actually be rezoned. There is an [interactive map](#) showing the existing multifamily sites (E-xx) and candidate sites (C-xx).

The RFP allows for proposals both on projects that may already be in progress and projects that are conceptual in nature at this point (i.e., do not have a site identified).

### **Is the developer fee maximum calculated at 10% of total cost or the cash out limit?**

The developer fee is limited to 10% of the total development costs (less the fee itself).

### **Is the City loan interest only and is it residual receipts only?**

The City negotiates loan terms on a case-by-case basis after review of the project's pro forma and other financial information, and considering requirements of other agencies providing subsidy. Recent loans have been structured as residual receipts or residual receipts with a minimum fixed annual payment, which typically escalates over time.

### **Does net zero count as Innovation in Project Design for bonus points?**

Yes, provided it has a benefit to residents that isn't negated by charging higher rents than in a non-net-zero project.

### **May a nonprofit be named as a partner in more than one application with different developers in response to the City of Elk Grove RFP?**

Yes, this is acceptable.

### **Have you made an award to a 9% project and if so – for how much of \$8 million? How much funding is expected to be available for projects submitted by the May 19 deadline?**

The Affordable Housing Committee selected a 9% tax credit project requesting a \$4 million City loan to move forward to the application stage. While those funds are not yet committed, it is likely they will be, leaving about \$4 million in available funding for projects submitted in phase 2 of the RFP (May 19 deadline).

**On page 15 of the RFP, it states that a “Developer Fee is limited to 10% of project cost”. Does that provision apply to a 4% Tax Credit and Bond transaction as well? It would be extremely helpful, and efficient, if the RFP allowed for the developer fee calculation to be consistent with TCAC/CDLAC guidelines, particularly on a 4% execution. As I am sure you are aware, maintaining that consistency with TCAC/CDLAC guidelines in this instance would allow for the injection of additional tax credit equity into the project, thus reducing a project's reliance on local subsidies. If this is not your intent, can you please share the specific rationale as to why the developer fee calculation would not be consistent with TCAC/CDLAC on a 4% execution?**

The provision applies to projects receiving City loans regardless of their financing structure. You may show a higher developer fee if the portion over the 10% maximum is foregone.

**Is there a cap on the amount of subsidy that can be requested? If so, what is that cap? For example, if the City has a \$5m cap because that is the amount of funds it currently has available, can a project request \$5.5m in support, with the understanding that the remaining \$500k would not be disbursed to the awardee until those funds have been collected by the City through its affordable housing fee?**

There is not a specific cap on the amount of loan funding that can be requested; however, per the RFP, “In no event shall the project loans issued hereunder exceed the uncommitted fund balance in the Affordable Housing Fund at the time of commitment.” The time of commitment may be somewhat negotiable, and would likely be later for conceptual proposals than for those submitted with specific sites in mind.

Note that the City owns multiple sites on which it plans to partner with developers to construct affordable housing within the next 2-3 years. (These sites are not a part of the current RFP.) Future fees revenues will likely be substantially devoted to supporting these City-owned sites.

**Do projects in Elk Grove have Article 34 authority either from City or County?**

The City has remaining Article 34 authority under the 2004 ballot measure.

**The RFP asks that we submit evidence of ability to insure. What form of evidence is the City looking for? Insurance certificates? Letter from our CFO or CEO stating that we can meet the RFP's insurance requirements?**

A letter from the proposer's CEO, CFO, or insurance agent stating that the proposer can and will meet the RFP's insurance requirements is acceptable. Please note in the letter any exceptions necessary.

**Can you tell me the balance of the City's Affordable Housing Fund as of this date?**

The balance in the Affordable Housing Fund is approximately \$24.3 million. However, much of that amount is committed to existing projects, land acquisitions, homebuyer assistance programs, and gap financing for projects to be built on City-owned land. Staff estimated that about \$8 million would be available under this RFP, and the Affordable Housing Committee selected a 9% tax credit project requesting a \$4 million City loan to move forward to the application stage. This leaves about \$4 million available at this time.

**Regarding the developer fee limitation, would the City consider a 4% tax credit/bond project where the portion of the developer fee over 10% of the project is deferred as opposed to foregone?**

The City will consider projects that have developer fees consistent with TCAC/CDLAC regulations, including projects where the amount of the developer fee in excess of \$2,500,000 plus \$20,000 for each

unit in excess of 100 is deferred or contributed as equity to the project. Developers are strongly encouraged to contribute the excess fee as equity to the project.

**NEW – Can you provide clarification on PDF submissions having to be ADA compliant?**

ADA compliance means the City makes every effort to make information accessible to those with disabilities. This includes those who are visually and audibly impaired. The PDF document has to be machine readable for text to voice purposes and the text must be searchable. Sometimes, depending on the program or method someone is using to convert their source document to a PDF, the document gets saved as a picture rather than as a fully machine-readable document. Attached is a document to further explain.

## Why?

What's the fuss? Why make PDFs, or any other document for that matter, ADA (Americans with Disabilities Act) compliant?

- It's the law. As a state and federally funding institution, you *must* comply with [Section 508](#), [Section 504](#) and the [ADA](#).
- It can also affect a program's accreditation standing.
- It's the right thing to do.

## What is ADA Compliance?

Simply stated, ADA compliance means we make every effort to make information accessible to those with disabilities. This includes those who are visually and audibly impaired.

## What makes a PDF “ADA Compliant”?

Some of the features of an ADA compliant PDF include:

- Searchable text
  - *Note: PDFs created by scanning may actually be an image and not searchable text.*
- Images with Alt Text
  - *Alt text is hidden text used to describe an image to one visually impaired.*
- Bookmarks for documents over 9 pages
- Add tags
- Logical reading order (left-to-right) in tables
- No background images or watermarks
- Table rows that don't split across pages

[A checklist to ensure your PDF document is ADA compliant](#) is provided by the U.S. Department of Health and Human Services.

## Before creating a PDF

Verify your document (Word or otherwise) is free of potential ADA problems before converting to a PDF.


### Remove background image/watermark in Word

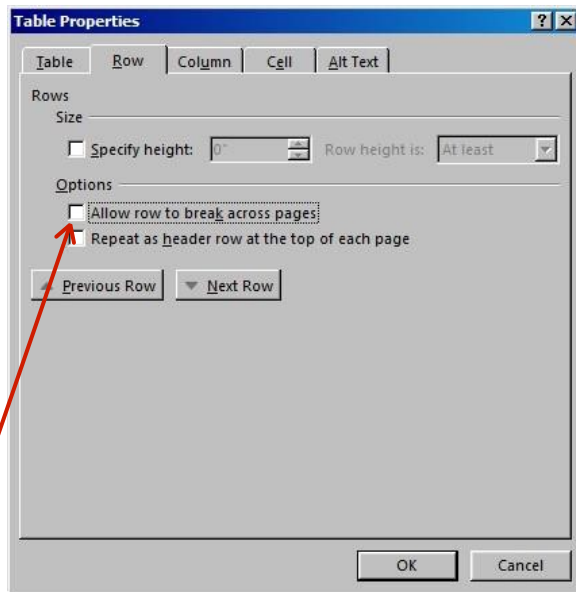
If your document has a watermark or background image, perform the following:

1. Open the Word document.
  - Perform one of the following:
    - If using Word 2003/2010, click the **Page Layout** tab, and then select **Watermark** in the Page Background group.
    - If using Word 2013, click the **Design** tab, and then select **Watermark** in the Page Background group.
3. Select **Remove Watermark**.

## Prevent table rows from splitting across pages

If your document contains tables, perform the following:

1. In the Word document, click the table selection button  at the top left of the table. *The entire table will be selected.*
2. Click the **Table Tools / Layout** tab on the ribbon.
3. Click **Properties** in the Table group.
  - *The Table Properties dialog will appear.*
4. Click the **Row** tab.



5. Uncheck the box for **Allow row to break across pages**.
6. Click **OK**.

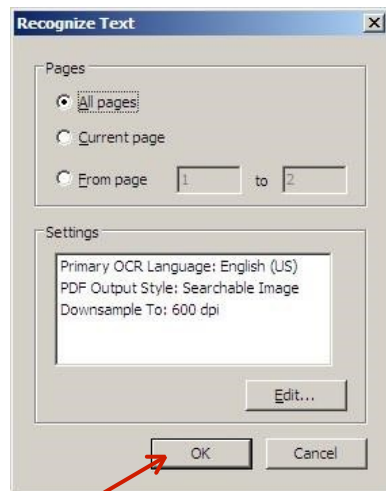
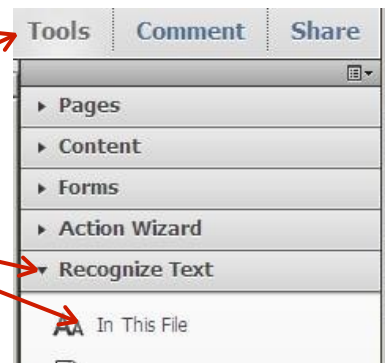
## Modify the PDF

Once a PDF has been created, either via scanning or by converting an existing document, you may need to perform one or more of the following steps.

### Convert PDF to searchable text

If the PDF was created by scanning, perform the following:

1. Open the PDF in Acrobat X Pro.
2. Click the **Tools** button on the right.
3. Click **Recognize Text** and then click **In This File**  
*The Recognize Text dialog will appear.*

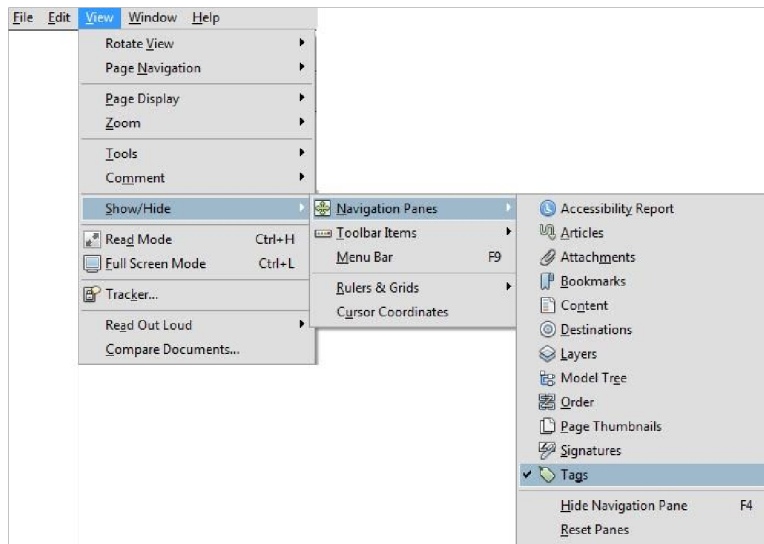


4. Click **OK**.
5. When done, save the PDF.


## Add Alt Text to Images

Open the PDF in Acrobat X Pro.

Choose **View > Show/Hide > Navigation Panels > Tags**.



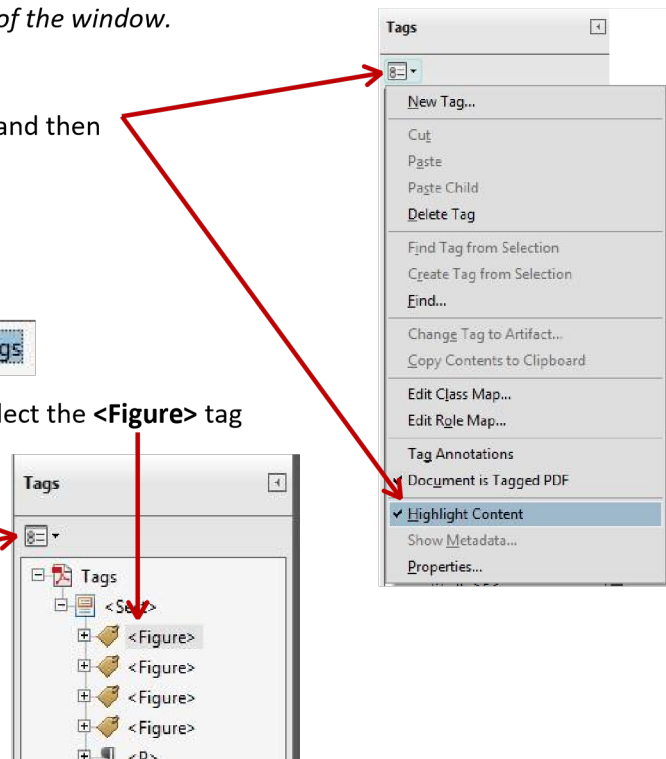
The Tags pane will appear on the left side of the window.

Optional: Click the **Options** button  and then verify that **Highlight Content** is checked. (If not, click on "Highlight Content".)

Click the plus signs (+) to expand the logical structure tree, then find and select the **<Figure>** tag element for the desired image.

Click the **Options** button  and select **Properties...** from the menu. A *TouchUp Properties* dialog will appear.

Type text that describes the image in the **Alternate Text** field.





Click **Close**.

## Add Bookmarks

If the PDF document contains 9 or more pages, bookmarks should be added. Bookmarks allow the reader to quickly navigate to points of interest within a PDF by linking to a specific page and view of that page.

1. Open the PDF in Acrobat X Pro and navigate to the page to which you wish the bookmark to link.
2. Adjust the view settings, zooming in or out.
3. Using the Select tool, create the desired the desired image or text to bookmark:
  - To bookmark a single image, click in the image or drag a rectangle around the image.
  - To bookmark a portion of an image, drag a rectangle around the portion
  - To bookmark selected text, drag to select it.  
*The selected text becomes the label of the new bookmark, though you can edit the label.*

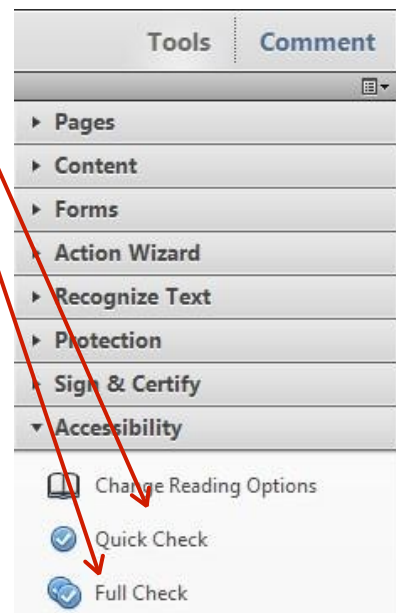


4. Click the **Bookmarks**  button (far left).
5. Click the **Options** button  and click **New Bookmark** from the menu.
6. If desired, edit the text of the bookmark.

## Run Accessibility Checker

Running the Accessibility Quick Check or Full Check to find potential problems.

1. Select **View > Tools > Accessibility** from the menu bar.
  - *Accessibility options will appear in the Tools pane on the right.*
2. Do one of the following:
  - Select **Quick Check**.
    - *The results of the quick check will be displayed with any possible recommendations.*
  - Select **Full Check** and, when the Accessibility Full Check options screen is displayed, click **Start Checking**. Click **OK** at the result message screen.
    - *An Accessibility Report will appear in the left pane, listing potential problems, as well as links to instructions on how to fix said problems.*



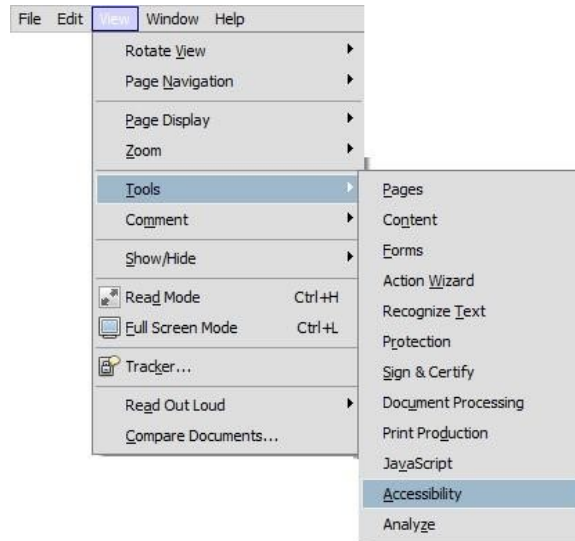


## Add Tags

PDF files should include *structure*, that is, a set of instructions that define how the content logically fits together (e.g. correct reading order, the presence and meaning of significant elements such as figures, lists, tables, etc.) In PDFs, structure is expressed via "tags" which can be automatically generated.

1. Open the PDF in Acrobat X Pro.

2. Choose **View > Tools > Accessibility**



*Accessibility will appear under the Tools menu on the far right.*

*A Recognition Report will appear in the left pane, listing the location of tags and the level of "confidence" (e.g. high, medium, low, etc.) of each tag. The report also contains links to instructions on how to fix potential tagging problems.*



3. Verify the tags match reading order.

4. Select **Add Tags to Document**

More information on [using the Acrobat X Pro Accessibility Checker](#) is available from Adobe.

More details on [making PDFs ADA compliant](#) is available from Adobe.