

2025 NOTICE OF FUNDING AVAILABILITY

MULTIFAMILY HOUSING



Community Development Department
Housing Division
Housing Development Services Unit
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Event	Date
NOFA Release	June 24, 2025
Application Open	June 24, 2025
Online Workshop	July 9, 2025
Application Closes	July 30, 2025
Award Announcements	August 2025

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1. Introduction & Purpose

The City of Salinas Community Development Department (CDD) is pleased to release this Notice of Funding Availability (NOFA) to provide affordable housing developers and owners the opportunity to apply for financial support in developing multifamily projects that address the City's housing challenges. Through this NOFA, the CDD will provide up to \$8,544,000 of funding to aid in the acquisition, development, preservation, and rehabilitation of affordable multifamily housing.

Funding Sources

This notice makes available funding received from the following local and federal sources:

Funding Source	Amount Available	Allowed Activities	Income Restriction
Local Housing Trust Fund (LHTF)	\$4,124,000	Development of multifamily affordable housing	Up to 60% AMI
HOME Investment Partnerships (HOME)	\$3,813,000	Development of multifamily affordable housing Rehabilitation of existing housing	Up to 80% AMI
HOME Investment Partnerships – Community Housing Development Organization (CHDO) Set-Aside	\$607,000	Acquisition and/or rehabilitation of rental housing New construction of rental housing Acquisition and/or rehabilitation of homebuyer properties New construction of homebuyer properties	Up to 80% AMI

Purpose

Funds awarded through this NOFA can be used for the pre-development and development of housing that includes units for those experiencing homelessness, and extremely low-income, very low-income, low-income, and moderate-income households, including necessary operating subsidies. This funding can also be used for pre-development and development of rental and ownership housing for those earning up to 120% of the area median income (AMI), or 150% AMI in high-cost areas.

2. Goals

The City of Salinas aims to foster relationships with our affordable housing partners to achieve the following key goals:

1. Production of affordable rental and ownership units
2. Meet the City's [Housing Element Goals](#)
3. Align with the City's [Consolidated Plan](#) priorities
 - Providing affordable rental housing opportunities
 - Creating homeownership opportunities
 - Enhancing homeless prevention services and facilities
 - Supporting economic development

Priorities for 2025 NOFA

While acquisition, predevelopment, rehabilitation and new construction projects are all eligible for funding through this NOFA, the City will prioritize projects that are ready to commence construction or “shovel ready”.

The City will give a strong preference to projects that demonstrate appropriate total development costs with strong financial commitments from other sources and a minimal need for gap financing. City funds are a limited resource, and the City seeks to maximize the leveraging of non-City funds in each project to fund the maximum number of eligible developers within this NOFA round. These loans are intended to partially or fully fill the gap between development costs and financing available from private and other public sources. Applicants are expected to pursue financing from all available sources.

3. Eligibility Requirements & Eligible Expenses

Eligible Projects

Proposed multifamily housing projects must be fully located within the City of Salinas boundary. The following use restrictions will apply to units developed or rehabilitated with these funds:

- Rental Affordable Housing – 55 year affordability restriction
- HOME-funded – minimum of 20 years
- Homeownership – 30 year affordability restriction

Eligible Applicants

Eligible applicants include for-profit or non-profit corporations, non-profit developers, for-profit developers, government entities, public housing agencies, general or limited partnerships, or limited liability companies with demonstrated experience and capacity in the development and/or management of affordable rental housing.

NOTE: 2 bonus points will be awarded to developers if they are a Community Housing Development Organization (CHDO). 1 bonus point will be awarded if the developer is a CHDO applicant or intends to apply to become a CHDO.

A CHDO can be a nonprofit developer, a community-based organization, or a partnership between a nonprofit and for-profit developer, and a religious organization that has staff capacity to develop affordable housing for the community it serves. To qualify for CHDO designation, the organization must meet certain requirements pertaining to their legal status, organizational structure, capacity and experience. Additionally, a yearly CHDO certification is required to maintain CHDO status.

You can refer to the [City's Website](#) for further information on the application and recertification process.

Eligible Expenses

Eligible expenses include, but are not limited to:

- Acquisition (If funding is used for acquisition, City will require an appraisal completed within the last six months and City will not provide funding in excess of appraised value)
- Demolition
- On-site improvements
- Off-site utility connections into the adjacent street
- Construction/rehabilitation costs necessary to develop or preserve an affordable housing project with suitable amenities
- Relocation costs (must specifically approved by the City)
- Lead-based paint inspection and remediation
- Soft costs associated with the development and financing of the project
- Reasonable development fees which could include architecture and engineering fees, permit fees, environmental fees, among others

Ineligible Costs/Uses

Ineligible costs include, but are not limited to:

- Costs associated with construction items or materials of a luxury nature
- Purchase of equipment, furniture, and fixtures (except where required for special needs projects)
- Most off-site improvements

- Developer/sponsor administrative costs (other than included in the developer's fee)
- Marketing events such as groundbreakings and grand openings
- Refinancing of pre-existing debt on property
- Payment of delinquent property taxes or utilities
- Permanent mortgage on a property for homebuyer projects
- Payments to the City for the purchase of City-owned real estate
- Any additional items payable to the City incurred by other departments (e.g., permit fees)

4. Scoring Criteria and Self-Scoring Guidelines

Complete applications will be scored in the following categories, with maximum points noted. Additional detail on the criteria is included below. Some categories are not applicable for certain types of projects. As a result, different project types will have different total points possible. Scores will be calculated as the percentage of points attained out of the total points possible for each project type. The City encourages developers to apply for funding for various types of projects, e.g., acquisition, predevelopment, and construction. A lower score does not indicate that a project is less competitive but solely used to rank project and developer readiness and strength.

	Points Available	Points Scored	Self-Score
I. Readiness	30		
A. Discretionary Land Use Approvals	10		
B. Funding Commitments	10		
C. Leveraging	10		
II. Project Attributes	20		
A. Income Targeting	10		
B. Neighborhood Revitalization Plan Alignment	5		
C. New Permanent Supportive Housing Units for Homeless Individuals and Families	5		
III. Developer Capacity	15		
A. Developer Experience	10		
B. Developer Financial Strength	5		
IV. Bonus Points	6		
A. Pursuing low-income housing tax credits	2		
B. Commitment of long-term operating subsidy	2		
C. CHDO Certification or CHDO Application	2		
Total Possible Points	71		

I. Readiness (30 points)

A. Discretionary Land Use Approvals (10 points)

Maximum points will be awarded for sites that have obtained discretionary land use approvals (obtaining building permits is not necessary to score points).

- Predevelopment and site readiness
 - 2 points for demonstrating site control (e.g., draft purchase and sales agreement)
 - 3 points for starting the CEQA/NEPA Environmental Review Records
 - 2 points for securing entitlements
 - 1 point for providing an affordable housing plan
- 2 points for submitting the application for Planning approvals by the time of the NOFA application due date

B. Funding Commitments: Degree to which outside funding has been committed (10 points)

- Points will be given based on non-City financial resources committed to the project at the time of the NOFA application due date, as follows:

Committed non-City Financial Resources as a Percent of Project Cost Greater than:	Points
30%	2
40%	4
50%	6
60%	8
70%	10

- Applicants must upload proof of commitments in application. Documents accepted include commitment letters, conditional commitment letters, award letters, etc. No points will be awarded for amounts that do not document commitments.
- Note: 2 bonus points will be awarded for Project- Based Section 8 Vouchers (PBVs) and/or commitment of long-term operating subsidy.

C. Leveraging: Degree to which outside funding will be pursued (10 points)

- Developers with a higher percentage of non-City leveraged funding sources compared to project cost, will receive a higher score based on the following table:

Leveraged non-City Financial Resources as a Percent of Project Cost:	Points
Up to 30%	2
30% - 45%	4
Over 45% - 60%	6
Over 60% - 80%	8
Over 80%	10

- Example:

Project A		
Funder	Amount	Fund %
City Funds	2,000,000	20%
Non-City Funds	8,000,000	80%
Total Project Cost	\$10,000,000	100%

Based on the example above, your total non-City leveraged funds are 80% of the total development and would be scored 8 points.

- City financial resources include loans, grant funds, and land donations received by or committed to the project.
- Note: 2 bonus points will be given to developers that are pursuing Low Income Housing Tax Credits.

II. Project Attributes (20 points)

A. Income Targeting (10 points)

- Developers producing units targeting residents at 120% Area Median Income (AMI) or lower

Percentage of Units Targeting Residents at Lower AMIs	Points
Up to 50% of units	5
Over 50% of units	10

Note: AMI restriction requirements vary depending on the source of funding awarded

- Neighborhood Revitalization Plans (5 points)
 - 5 points will be awarded to developer if the project is located in and furthers the goals of one of the following neighborhood specific revitalization plans: [Alisal Vibrancy Plan](#), [Chinatown Revitalization Plan](#), or [Downtown Vibrancy Plan](#).
 - Note: Developers should describe the location and its connection to such plans in the Neighborhood Narrative and Revitalization

Description sections of the application.

B. New Permanent Supportive Housing Units for Homeless Individuals and Families
(5 points)

- 1 point will be awarded for each 5% of the affordable units set aside for new Permanent Supportive Housing (PSH) (not transitional) units for homeless families and individuals, up to a maximum of 5 points.

Percentage of Units Set Aside for PSH	Points
1-5%	1
6-10%	2
11-15%	3
16-20%	4
Over 20%	5

III. **Developer Experience and Capacity (15 points)**

A. Developer Experience (10 points)

- Up to 6 points are awarded for development lead/project manager serving on development teams completing more than three affordable housing projects on time and within budget within the last ten (10) years.
- 2 points if currently developing another affordable housing project (in progress between pre-development and occupancy)
- Up to 2 points for providing evidence that the lead staff, including the project manager and supervisory staff, proposed to work on the current proposal have the necessary experience and that the organization has adequate staffing capacity to undertake the project.

B. Developer Financial Strength (5 points)

- Up to 4 points for providing evidence that developer financially sound and will be able to sustain the costs of effectively following through with the current proposal based on a review of current interim and previous years audited financial statements. (e.g., sufficient equity, project cash flow, adequate assets and liabilities ratio, etc.)
- 3 points if developer has not defaulted on any affordable housing financing in the last ten (10) years
- 3 points if the developer is not on the debarment list

Points may be deducted for other significant violations of requirements of the City's housing development programs, programs of other public agencies, or agreements with private lenders. Such violations may include the following if they have not been cured within a reasonable time period as determined by the City:

- Inadequately maintaining books and records
- Failure to comply with fair housing requirements
- Failure to achieve sustainability criteria
- Failure to properly certify tenant income eligibility
- Failure to adequately qualify prospective first-time homebuyers
- Failure to cure an event of default.

City requirements are generally consistent regardless of the original source of funding. However, for certain requirements, one source of funds may allow greater flexibility than others (e.g., Local Housing Trust Fund compared to HOME).

Please note the City of Salinas will ask for additional information (e.g., refined project budget, detailed pro forma, etc.) or request clarifications.

5. NOFA Application Submission Requirements

City Data Services (CDS) is the grants management system used by the City of Salinas to administer and manage grant funds. CDS will allow applicants to apply for this funding online and will track the status of their application once submitted. CDS will support programs and projects from application through to implementation and closeout.

2025 Multifamily NOFA applications must be accessed and submitted through CDS. The application will be available online at City Data Services (CDS) website: www.citydataservices.net (Login and password SAL2025 for new applicants).

For existing users, please log into CDS using your current username and password.

In addition to the CDS application, applicants will be required to comply with the following standards and requirements:

- Livability Standards
 - The City's provision of affordable housing financing is a long-term investment. Underwriting includes assuring that each development will be well-designed and well-constructed to provide decent, safe affordable housing over the long term for a population that does not have a wide range of housing choices. The project must meet all Zoning Code requirements imposed by the Planning Bureau, but it may be appropriate to exceed these requirements for certain projects.

- Unit layout and size – Housing & Community Development staff will carefully review unit size and layout for livability.
- Windows/Lighting/Ventilation – Units must be designed so that there is adequate natural light and ventilation.
- Parking – In general, the minimum number of spaces required for the particular site shall be provided. Any reductions in that number must be approved by Planning Bureau staff and the Housing Community Development staff. Secure resident bicycle parking should be provided to meet or exceed the City's bicycle parking ordinance. Car sharing facilities are encouraged.
- Building Shape and Appearance – The structure should respond to its context, enhance the neighborhood, and create a pride of place for its residents.
- Landscaping – The design should be appropriate for the intended use of all the residents.
- Quality of Building Materials – Materials must be of a quality and durability to assure long term viability of the structures.
- Open Space/Storage Space – The project must address adequate levels of the following, based on the type of project, location and target group. Examples of acceptable open space/storage space include:
 - common space (e.g. community room)
 - secure, on-site laundry facilities
 - children's play area (family projects)
 - storage space (both inside and outside of the unit)
 - open space (public and private space within the housing complex)
- Appraisals
 - If acquisition is included in the development budget, applicants are required to submit a recent appraisal of the project site and any existing improvements as part of the application. Appraisals must have been completed within six months of the NOFA application submission

Complete applications and required documentation must be received by the City no later than **Wednesday, July 30, 2025, 5:00 p.m. Pacific Daylight Time**. Any applications received after this time will not be accepted.

If you experience difficulty logging into CDS or have questions on how to complete the online application, please contact City staff listed below.

Award Process

Funding awards will be announced in August of 2025. Awardees will be required to attend a meeting with the City of Salinas Housing Division Staff to provide additional information regarding funding requirements and projected timelines.

6. Applicant's Responsibility

It is the duty and responsibility of each applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project or activity in order to ensure that each and every requirement of those funding sources is compatible with all CDD program requirements and restrictions. Incompatibility of funding sources will result in the denial or cancellation of an award or may result in the placement of conditions or limitations on an award, all as determined by CDD and the City in its sole and absolute discretion.

Compliance Requirements

Upon commitment of funds, the borrower must provide written quarterly progress and expense reports to City staff. Quarterly updates will allow City staff to anticipate upcoming approvals needed and to stay informed about efforts to move the project forward on schedule. All reports will be submitted through City Data Services.

Funds will be disbursed only for costs incurred, with payment for construction costs made on a progress payment basis, subject to approval of each draw request by the City.

7. Additional Federal Requirements

For developers receiving HOME funds through this NOFA, recipients must be able to meet all federal requirements relative to the HOME program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, acquisition, labor, lead-based paint, asbestos, conflict of interest, debarment, and suspension. Pertinent federal requirements are noted in federal HOME regulations. All applicants should be aware that, if funded, these requirements would apply.

HOME fund recipients will be required to comply with applicable federal statutes and laws, including, but not limited to:

- Section 3 of the U.S. Housing Act of 1968, as amended
- Equal Opportunity and related requirements in 24 CFR Section 982.53
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Architectural Barriers Act of 1968
- Fair Housing Act of 1988
- National Environmental Protection Act (NEPA)
- Federal Davis-Bacon wages requirements (please note that projects that have state/local funds along with federal funds will be required to meet the higher of the Federal or State wage requirements).
- Build America Buy America

NOTE: This list is subject to change based on new, changed, or removed federal requirements.

8. Additional Resources & Questions

We eagerly encourage those interested to apply for funding and look forward to partnering with applicants to create a more stable housing future for hundreds of Salinas residents.

For additional information on the funding sources included in this NOFA, please see the following resources:

- [Local Housing Trust Fund \(LHTF\) Guidelines](#)
- [HOME Investment Partnership Program \(HOME\)](#)
- [HOME Investment Partnerships – Community Housing Development Organization \(CHDO\) Set-Aside](#)

A mandatory online workshop will be held Wednesday, July 9, 2025, from 2:00 p.m. to 3:00 p.m. via the Zoom link below to assist applicants with the NOFA and online application process. For accommodation for persons with disabilities and language interpreter request, please contact the Community Development Department - Housing Division by June 30, 2025. Please RSVP by emailing Monica Flores-Ponce to confirm attendance – monicap@ci.salinas.ca.us.

<https://cityofsalinas.zoom.us/j/87515486461?pwd=SWJKcUQoRlMznFrZj9HAam1N5UCunq.1>

Meeting ID: 875 1548 6461

Passcode: 446860

Please contact the City's Housing Division team with questions regarding program requirements and/or the application process.

- Vincent Montgomery: vincentmo@ci.salinas.ca.us