



County of Santa Cruz

Department of Community Development and Infrastructure

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<https://cdi.santacruzcountyca.gov/>

COUNTY OF SANTA CRUZ

2026

NOTICE OF FUNDING AVAILABILITY (NOFA)

FOR

PREDEVELOPMENT OR REHABILITATION

OF

AFFORDABLE HOUSING

Issued by:

County of Santa Cruz

Community Development & Infrastructure Department (CDI)

Planning Division, Housing Section

701 Ocean Street, Room 418

Santa Cruz, CA 95060

HousingProgramsInfo@santacruzcountyCA.gov

<https://cdi.santacruzcountyca.gov/Planning/Housing.aspx>

(831) 454-2332

Issued: March 10, 2026

DEADLINE TO APPLY:

4:00 pm on April 9, 2026

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1. INTRODUCTION & BACKGROUND

County of Santa Cruz (County) CDI Housing staff has issued this Notice of Funding Availability (NOFA) for Predevelopment and/or Housing Rehabilitation activities to develop or rehabilitate affordable housing serving lower income households within the unincorporated areas of Santa Cruz County.

Funding included in this NOFA consists of three County funding sources, two of which are local sources, and one (PLHA) which is a formula grant provided by the State of California to the County:

- Low Moderate Income Housing Asset Fund (LMIHAF)
- Permanent Local Housing Allocation (PLHA) – For Predevelopment Loans Only
- Affordable Housing Impact Fee (AHIF)

The CDI Director is authorized to convene a Staff Review Committee (SRC) to evaluate and score applications in accordance with this NOFA. Staff will return to the County Board of Supervisors (Board) in April or May 2026 with proposed funding commitments for approval. All funding awards will be provided in the form of loans (soft debt) in exchange for long-term affordability restrictions on the property in favor of the County.

Application forms and instructions will be posted at:

<https://cdi.santacruzcountyca.gov/Planning/Housing.aspx>

2. FUNDING DETAILS

Total Available Funding: Approximately \$1.5 million in County housing special revenue funds.

Award Limits:

- Minimum request: \$300,000
- Maximum request: \$500,000
- Minimum Applicant Contribution: 15% of Total Activity Budget
- Match: County funding may not comprise more than 85% of total cost of the proposed housing activity (predevelopment or rehabilitation). Applicant may use any available, committed non-County source toward the 15% match.
- The County anticipates funding one to three projects through this NOFA. If there are additional applications that score high enough to warrant funding, staff may, at the County's sole discretion, include them on a ranked waitlist for funding when additional funding becomes available in the funds identified above.

- The County may award funding to a project from a single source or a combination of two or more sources.

Form of Assistance (Standard Loan Terms):

Housing Rehabilitation:

- Fully Deferred Loan secured by a Deed of Trust and Regulatory Agreement recorded against title to the Property, subordinate to any existing financing secured by Property.
- Principal and interest deferred for the loan term, contingent on compliance with loan and regulatory agreements.
- Loan term of 55 years.

Predevelopment:

- Unsecured Predevelopment Loan Agreement between Applicant and County during the Predevelopment phase of the project. Loan funds are disbursed on a reimbursement basis after Applicant has incurred costs and paid invoices.
- Predevelopment Loan is converted to a loan secured by a Deed of Trust and Regulatory Agreement recorded against title to the property prior to building permit issuance, if the project is approved. If project fails to proceed due to Applicant's failure to perform under specified terms of the Predevelopment Loan Agreement, loan is repayable. If Project is not built due to causes outside of Applicant's control, such as force majeure, loan is not repayable. Detailed repayment terms are available upon request.
- Deed of Trust and Regulatory Agreement secured by the Property are for a term of at least 55 years.
- Principal and interest are fully deferred for the loan term, contingent on Applicant/Owner's compliance with County loan and regulatory agreements.
- If site control consists of a long-term ground lease, the regulatory agreement is still recorded against fee title to the property, and County deed of trust is recorded against the Applicant's ground lease interest.

For all awardees, all County funding awarded must be expended within three years of the date of execution of the County loan agreement. Any funds leftover after that deadline will be disencumbered by the County.

Match Requirement:

- Minimum 15% contribution toward total Activity Cost from the Applicant, consisting of non-County sources.

Funding Sources:

- LMIHAF (Low Moderate Income Housing Asset Fund)
- PLHA (Permanent Local Housing Allocation) – Predevelopment Activities Only
- AHIF (Affordable Housing Impact Fee)

Each source carries specific statutory/regulatory requirements; all awarded loans will incorporate the applicable conditions of the funding source(s) used.

Additional Funding Considerations:

- The County reserves the right to supplement the above list of funds with State funds or other local sources if they become available prior to loan issuance.
- This NOFA does not include awards of federal CDBG or HOME funds.

3. ELIGIBILITY REQUIREMENTS

APPLICANTS

Applicants for funding through this NOFA must meet all of the following:

- Be a 501(c)(3) nonprofit affordable housing developer;
- The property subject to this funding request must be owned by Applicant or its wholly controlled affiliate (LP, LLC, etc.)
- Applicant must have a demonstrated capacity to develop, rehabilitate and/or manage affordable rental housing or lower-income mobile home parks, supported by a successful multi-year track record of projects (including compliance history);
- Be in good standing with the County (no unresolved monitoring or compliance findings associated with any prior funding awarded to Applicant, or with any unresolved findings or violations of any type associated with any property in the County owned by Applicant or Property Owner);
- Provide two years of certified audited financial statements (including management letters); if site is owned by a partnership, statements must include audits for the general partner.

Eligible Project Locations

- Properties must be located in the unincorporated areas of Santa Cruz County

Eligible Project Types

Projects must create or preserve 100% affordable housing serving lower income households (at or below 80% of Area Median Income), and may include:

- Rental apartments
- Non-profit Owned mobile home parks
- Self-help homeownership developments
- Other 100% affordable lower income housing models

Predevelopment Activities

Predevelopment proposals must meet all of the following:

- Site control: Fee title ownership or long-term ground lease of at least 55 years, or in escrow to purchase under a fully executed Purchase and Sale Agreement (PSA) dated on or before January 1, 2026, and closing to occur before County funds are disbursed. If Applicant does not hold fee title, the current property owner must sign a consent form acknowledging Applicant's application for County funds and agreeing to accept the terms of funding. In the case of organizational, trust or corporate ownership, a resolution of the board of such organization or other entity, delegating authority to sign documents relating to the funding application and the project itself to the proposed signatory, will be required as part of the application.
- Projects proposed on ground leases must have recorded a memorandum of ground lease against fee title to the property, acknowledged by the property owner, with a scaled delineation of the boundaries of the lease area included (if the entire parcel is not subject to the lease).
- Prior experience: Successful completion of at least one comparable affordable housing project in unincorporated Santa Cruz County, that has been occupied for at least three years.
- Readiness: Application includes a credible financing plan and timeline for construction and occupancy, consistent with applicant's prior performance.

Housing Rehabilitation Projects

Rehabilitation proposals must meet the following:

- Property has an existing long term affordable housing Deed Restriction in favor of the County.
- Property has urgent health, safety, or structural deficiencies requiring rehabilitation to be completed within the timeline of the proposed project.

- Applicant has a successful track record of completing County funded rehabilitation projects.

Anti-Displacement Policy

- Projects that cause permanent displacement are ineligible for this NOFA.
- Projects that may require temporary displacement of current residents on Property (for periods of less than one year) must provide temporary relocation assistance consistent with State law and County policy, subject to County CDI Housing staff approval.

Ineligible Projects

- Emergency shelters, interim housing, navigation centers, short-term accommodations, or care facilities (none of which are permanent/long-term housing).
- Projects that will permanently displace existing residents from the Property to be assisted. Permanent displacement includes any displacement lasting 1 year or more.
- Projects under construction or under development (including entitled projects in pre-construction phase), but not yet completed.
- Projects on properties with open and/or unresolved code enforcement cases.
- Projects with current County funding that has not been fully expended by the publication date of this NOFA.

Eligible Uses of County Funds:

Predevelopment Activities:

Predevelopment awards and associated matching funds may be used only for expenses required to design and obtain entitlements and/or ministerial approvals for the Project, such as architectural and engineering design, any environmental studies that may be required, such as geotechnical, traffic, parking, soils or biotic studies, infrastructure capacity studies, costs of any environmental or design reviews, permit applications, community outreach about the Project, legal costs associated with the predevelopment work, expenses of applying for Project financing, and similar costs typically incurred in the predevelopment phase of an affordable housing residential project.

Predevelopment activities **may not include** any alteration of the project site, such as grading, construction, demolition, clearance, tenant displacement, site acquisition, and/or construction which would trigger a need for environmental review and/or issuance of permits by the County or other agencies (sometimes referred to as “choice-limiting actions”).

Project costs shall be specified in Application budget in the following categories:

- Due diligence and/or environmental studies related to the project site

- Project design (architecture, engineering, site planning)
- Soft costs: Planning application fees (Development Review Group (DRG) or discretionary applications), costs of obtaining title reports, etc.
- Financial feasibility studies, market studies required for development funding applications
- Project management: Applicant's staff time to procure and manage consultants completing predevelopment work, monitor and draw County loan funds and maintain accurate accounting of County fund expenditures and matching funds.

An award of County funding for predevelopment activities does not guarantee that the proposed project will be entitled and/or permitted by the County.

Rehabilitation Projects:

Housing Rehabilitation awards and associated matching funds may be used only for expenses related to the proposed rehabilitation project, such as:

- Rehabilitation Hard Costs (construction contracts, materials, landscaping/infrastructure repair, fumigation, remediation, etc.)
- Rehabilitation Soft Costs (permits, insurance, title costs)
- Resident Outreach/Engagement and Temporary Relocation Assistance (if applicable)
- Project Management

4. SELECTION CRITERIA & EVALUATION

The County will evaluate applications for funding based on the selection criteria and priorities set forth below, and application scores based on the scoring system provided in Section 7. Projects do not need to meet every criterion listed below. Application scores will inform funding recommendations, but are not the sole determinant of awards, which will be determined by the Staff Review Committee, and subject to approval by the Board of Supervisors.

Selection Criteria

Minimum Threshold Criteria:

- Application demonstrates that all required eligibility criteria stated in Section 3 above for the proposed activity type (rehabilitation or predevelopment) are met.
- Applicant and Project Team have successful track record of completing affordable housing projects similar to those proposed for funding through this NOFA, which projects are located within Santa Cruz County or elsewhere within the [AMBAG](#) or [ABAG](#) regions of Northern California.
- Project is consistent with the County's General Plan, including the Housing Element, and County Zoning Codes.

- All units in project (except manager units) are or will remain income restricted for at least 55 years from occupancy (in case of predevelopment awards) or from loan date (in case of rehabilitation awards).
- All units are/will be affordable to lower income households with incomes between 0% to 80% of Area Median Income for Santa Cruz County.
- Proposed budget for the proposed activity is reasonable and realistic, and project appears to be competitive for securing development and/or matching funds
- Expeditious Use of County housing funds (within 3 years of award)
- Site control demonstrated by Applicant (grant deed, PSA or long-term ground lease)
- Applicant and Property Owner are 501(c)3 Nonprofit Housing Developers or a wholly-controlled affiliate thereof.
- No permanent displacement of current residents.
- Incorporates appropriate community spaces, amenities, infrastructure and services for the proposed residents.
- Project team demonstrates successful affordable housing development experience and capacity to engage cooperatively with the community, County, and relevant stakeholders.

Extra Credit:

- Project, or certain units in project, are reserved for special needs households (as defined in County Housing Element).
- Rehabilitation Projects Only: Applicant already possesses or has enforceable commitments for required matching funds, and can obtain required building permits within one year of County award; can complete rehabilitation work within three years of entering into County loan agreement.
- Predevelopment Activities Only:
 - Ability to complete predevelopment tasks and secure entitlements or ministerial approval within two years of County predevelopment award, and to begin construction within three years of entitlement/ministerial approval.
 - Projects that provide dual benefits by developing affordable housing and improving an underutilized or poorly maintained property.
 - Applicant is willing to accept County PLHA formula grant funds originating from the State of California and passed through the County's LMIHAF for the predevelopment award, and has previously closed escrow on prior PLHA loan(s).

Funding Priorities

Housing Rehabilitation:

- Properties with an existing long-term affordable housing deed restriction in favor of the County; or
- Properties with urgent rehabilitation needs which, if not addressed, will compromise structural integrity or health and safety of the housing; or
- Applicants who have successfully completed other rehabilitation projects funded by the County.

Predevelopment Activities:

- Applicants who have previously built at least one other affordable housing project within the unincorporated county that has been occupied for at least three years, which is similar in scale and type to their proposed project for which they are requesting predevelopment funds;
- Projects on sites that are already owned by the Applicant;
- Projects on sites that are in the Ministerial Combining District (MCD), or that are eligible for another ministerial approval pathway (to be verified by County staff);
- Projects that will include units restricted to extremely low-income (ELI) (30% AMI) and/or special needs households;
- Projects with a fully developed, credible financing plan and timeline for construction and occupancy, consistent with Applicant's track record on prior projects.

5. APPLICATION PROCESS

Application Package (Complete Submission Required)

A complete application includes:

Application Form for the applicable activity, with all fields completed, duly executed by Applicant's authorized signatory (and property owner where required), and all required documentation noted in Application Form Checklist attached. See Application Form for Checklist. Signatures may be wet-signed or DocuSigned with required certification and signature summary data included in the DocuSign file.

Submittal Process: Application submittal process consists of two steps: a paper version and a digital version of each application, as explained below.

1. **Hard Copy:** Provide one printed, double-sided paper copy of Application and all attachments to the County via mail or delivery to the address below. (Exception: If any attachments are individually more than 10 pages long, or on oversized paper, do not include them in this paper copy, include them in Step 2 electronic submittal below.)

Mail or Deliver to:

County of Santa Cruz
CDI Planning Division
Attn: Tracy Cunningham, Housing Specialist
701 Ocean St., 4th Floor, Room 418
Santa Cruz, CA 95060

2. **Electronic Transmittal:** Provide an electronic version of Application and all attachments in PDF file format to the County via electronic transmittal using your preferred file transfer service such as Dropbox, OneDrive, or Google Docs:
 - Application form should be a stand-alone PDF file.
 - Each attachment should be a separate PDF file.
 - If there are large files with imagery or other data-intensive content, please shrink file sizes to no more than 5 MB per file, to the extent possible.
 - All files should be in a digital folder labeled with Applicant's Name and Project Address.
 - Send a link to your folder of application materials using your file sharing service to the County via email to: HousingProgramsInfo@santacruzcountyCA.gov with the subject line: CDI Housing NOFA Application Submittal.

If you have any questions about the submittal process or have any trouble with the fillable Application Form, please contact Tracy Cunningham, Housing Specialist, at (831) 454-3197 or via email to Tracy.Cunningham@santacruzcountyCA.gov. Please note that due to volume of inquiries, it may take 2-3 business days for a response. Please plan ahead; do not wait until the week of the deadline to ask such questions.

APPLICATION DEADLINE:

All Applications must be received in hard copy and via e-transmittal no later than 4:00 pm on Thursday, April 9, 2026. No Exceptions.

Late or incomplete applications will not be accepted. Applications must be received by County CDI Staff (not just postmarked) by the deadline above.

DISCLAIMERS:

Public Records

Pursuant to the California Public Records Act, all application materials submitted in response to this NOFA are public records, and may be made available to the public upon request. Proposals received, or portions thereof may be posted online by the County as part of review and/or award process. Do not include any confidential information or other information you do not wish to be made public within your application materials. Any drawings, sketches, photos or other work product potentially subject to copyright included in your application shall include the designer's/creator's express written approval for publication by the County in NOFA-related reports, presentations, or web content.

Corrections/Errata

The County reserves all rights to make corrections to this NOFA and associated Application Forms if needed, in the County's sole discretion. Please check the CDI Housing webpage frequently for updates, corrections and/or FAQs:

<https://cdi.santacruzcountyca.gov/Planning/Housing.aspx>

QUESTIONS

Applicants with substantive questions about this NOFA (eligibility, etc.) should email HousingProgramsInfo@santacruzcountyca.gov with their question with the subject line: NOFA QUESTIONS. Staff will respond to questions via email in no more than 3 business days, and will post an FAQ with all questions and staff responses to the website above, as questions are received, to be updated periodically throughout the application period. Please do not include any project or applicant details you don't wish to have posted online in the FAQ in your email.

6. REVIEW & AWARD PROCESS AND TIMELINE

Step One: Threshold Review

- CDI Housing staff reviews applications for completeness and eligibility.
- Incomplete applications will not be considered.
- Ineligible applications (per the eligibility criteria listed above) will not be considered.
- At staff's discretion, staff may request correction of minor clerical errors and allow applicants three business days to submit requested corrections.
- Staff may invite applicants to virtual meetings to clarify aspects of an application that are not clear.
- For each application that has been determined complete and eligible, staff will complete a scoring sheet to provide a preliminary score for each application.

Step Two: Staff Review Committee Evaluation

- Housing staff will share all applications and preliminary scores with the Committee for a review period of at least one week. Committee members may score the projects independently if desired.
- The Committee will hold a meeting where Housing staff will briefly present the applications, staff's preliminary funding recommendations, and project scores. If the

Committee so desires, it may ask staff to arrange a follow-up meeting to invite eligible Applicants to present their proposals to the Committee via virtual meeting.

- The Committee will discuss the applications and scores, and make a final decision on its funding recommendations, resulting in a ranked list of applications, recommended funding amount and source(s) for each application, and, if additional eligible projects are recommended for funding, a waitlist with additional recommended awards that could be made if additional funding becomes available within the next 6 months and application remains eligible for funding during that period.

Step Three: Board of Supervisors Action

- The Committee's funding recommendations will be provided to the Board in a staff report to be agendized for Board action either on the consent or regular agenda during a Board meeting in May or June, 2026. Applicants may comment on, attend and/or participate in the Board meeting per standard participation protocols published by the Clerk of the Board: <https://santacruzcountyca.primegov.com/public/portal>
- Applicants will be notified by CDI Housing staff via email of the Board's approved funding awards within one week of the Board meeting.

Conditional Funding Awards

- Following Board approval, awardees will receive a conditional funding award letter, reserving County housing funds for the proposed housing activities until the loan agreements are drafted and executed (expected to take approximately 90 days).
- The loan agreement will constitute the final funding commitment.

Environmental Review and Permitting

- **Housing rehabilitation** awards are conditioned on obtaining required building permits and any other ministerial permits that may be required for the proposed scope of work. Many housing rehabilitation projects qualify for a CEQA exemption (and possibly a NEPA exclusion, if applicable), but if Applicant has determined, in consultation with CDI and/or involved state or federal agencies, that some portion of the work requires prior state or federal environmental review, then all required environmental reviews must be completed, and required permits must be obtained by Applicant prior to starting the rehabilitation work.
- **Predevelopment awards** are for activities in the predevelopment/planning phase of a project that are generally not subject to environmental review and do not require permits, such as due diligence investigations, environmental studies, completion of environmental review processes as applicable, project design (architecture/engineering), legal services; financial feasibility studies, etc. The proposed housing project itself will require the applicable level of environmental review and permitting before any site work, clearance, demolition, grading or construction can begin.

- During the predevelopment phase, Applicants must refrain from any activities on the project site that would trigger a need for permits and/or environmental review (e.g., grading, clearance of onsite habitat or improvements, demolition, construction, tenant displacement). The predevelopment phase begins when the Applicant files an Application in response to this NOFA, and ends when they have completed all predevelopment activities proposed for funding through this NOFA and drawn all County predevelopment funds awarded, or when they have obtained all applicable environmental clearances and permits required for their project, whichever occurs first.
- If Applicant intends to seek federal funding for their project and has not yet completed NEPA review for the project, they may not take any choice-limiting actions, as defined by the federal funding agency, before the NEPA review is completed and approved by the federal agency. Choice limiting actions may include, but are not limited to: property acquisition, property demolition or clearance, tenant displacement, construction, grading, etc. For more information and guidance on the NEPA process, Applicants should contact the federal agency from which they are seeking funding for their projects or a qualified NEPA consultant.

NOFA Timeline

- NOFA Publication: Tuesday, March 10, 2026
- **Applications Due: 4:00 pm on Thursday, April 9, 2026**
- Staff Review Committee Meeting: April 2026 (date TBD)
- Board Approval: May/June 2026
- Loan Agreement Execution: Within 90 days of Award Date
- Expenditure/Draw Deadline: 3 years from loan agreement date

7. APPLICATION SCORING

The framework below will be used by the County to score complete and timely applications received in response to this NOFA. Up to 60 points are possible for applications that clearly demonstrate that they meet the threshold scoring criteria. Additional possible points (up to 50) are available for applications demonstrating that they meet one or more of the extra credit and funding priorities defined above in this NOFA, for a total possible score of up to 110 points per application.

THRESHOLD SCORING

Category	Maximum Points	Key Considerations
Organizational and Technical Capacity & Relevant Experience	10	Qualifications of the Applicant and Project Team based on Org Chart provided in Application; successful completion of similar affordable housing projects; lack of compliance findings in audits, lack of litigation or defaults on Team's other housing projects.
Project Need	5	Rehabilitation: Application clearly demonstrates need for proposed scope of work and for requested County funds. Predevelopment: Application clearly demonstrates local housing needs that proposed project will meet; and clearly demonstrates Project Team's need for County funding for the proposed predevelopment activity budget.
Readiness & Feasibility	10	Application demonstrates Applicant has site control as described in NOFA; Application includes a credible timeline and realistic workplan for completing proposed activity – predevelopment or rehabilitation (4 pts); and Rehabilitation only: Application includes robust bidding plan or multiple bids for proposed scope of work (3pts), and/or temporary relocation plan, if applicable (3 pts); Predevelopment only: Application includes realistic timeline for building proposed housing project (3 pts); if ministerial project: Applicant commits to completing at least one Development Review Group (DRG) application with County before submitting Building permit application(s) or requesting County clearance documents for development funding (TCAC, CDLAC, etc.) (3 pts).
Budget & Financial Management	10	Application includes a realistic budget for the proposed activity; Applicant's audits and annual reports reflect its solid and sustainable financial position; Applicant and Project Team have not defaulted on prior project funding; have not missed expenditure deadlines or other significant project milestones on

Category	Maximum Points	Key Considerations
		any active County funding awards; Project team’s existing housing projects (those provided as examples in Application) are operating on a sustainable basis without significant negative cash flows.
Matching Funds (Leverage)	10	Minimum match is 15% of proposed activity budget (predevelopment or rehabilitation work). One point awarded for each additional percentage point of matching funds above 15% proposed in Applicant’s activity budget.
Affordability	10	1 point for each 10% of project’s units restricted to be affordable to Very Low Income (VLI) or Extremely Low Income (ELI) households.
Community Benefits	5	<p>1 point possible for each of the following:</p> <ul style="list-style-type: none"> • Application includes robust outreach plan appropriate for proposed activity (Rehab projects focus primarily on existing residents and/or neighbors affected by proposed work); Predevelopment focuses on engagement with prospective residents, neighborhood, and regional stakeholders); Predevelopment Applications only: <ul style="list-style-type: none"> • Applicant commits to reviewing County design guidelines for multi-family and/or mixed-use projects and incorporating them into proposed project design to the extent possible; • If on a site with non-residential zoning: proposed project includes at least 1,000 SF of non-residential floor area for commercial or public facility use (not including onsite resident amenities, leasing office or meeting rooms); • Proposed project includes space for a childcare facility; • Applicant/Project team commit to providing Metro bus passes for project residents for first year of occupancy
Maximum Threshold Points	60	

Extra Credit / Funding Priorities	Points
Proposed project, or at least 10% of units in project, are or will be restricted for special needs (as defined in County Housing Element) and/or Extremely Low Income (ELI) households in proposed or existing County deed restriction.	10
Activity-Specific Extra Credit: REHABILITATION PROJECTS	
Applicant already possesses or has enforceable commitments for required matching funds, and can obtain required building permits within one year of County award; can complete rehabilitation work within three years of entering into County loan agreement.	10
Property to be rehabilitated has an existing long-term affordable housing deed restriction in favor of the County	10
Property to be rehabilitated has urgent rehabilitation needs which, if not addressed, will compromise structural integrity and/or health and safety of the housing. Urgent needs shall be documented by Physical Needs Assessment or similar inspection reports provided with Application.	10
Applicant has successfully completed other rehabilitation projects funded by the County.	10
Activity-Specific Extra Credit: PREDEVELOPMENT ACTIVITIES	
Application demonstrates that Applicant is able to complete predevelopment tasks and secure entitlements or ministerial approval within two years of County predevelopment award, and to begin construction within three years of entitlement/ministerial approval.	5
Proposed project provides dual benefits by developing affordable housing and improving an underutilized or poorly maintained property.	5
Applicant is willing to accept County PLHA formula grant funds originating from the State of California and passed through the County's LMIHAF for the predevelopment award, and has previously closed escrow on prior PLHA loan(s).	5
Applicant has previously built at least one other affordable housing project within unincorporated Santa Cruz County that has been occupied for at least three years, which is similar in scale and type to their proposed project for which they are requesting predevelopment funds.	5
Project is on a site that is already owned by the Applicant (or their wholly-controlled affiliate)	10
Project is on a site in the Ministerial Combining District (MCD), or that is eligible for another ministerial approval pathway (to be verified by County staff).	5
Application provides a fully developed, credible financing plan and timeline for construction and occupancy of the proposed housing project, consistent with Applicant's track record on prior projects.	5
Maximum Extra Credit Points	50

8. CONTACT INFORMATION

County of Santa Cruz
Community Development & Infrastructure Department (CDI)
Planning Division, Housing Section
701 Ocean Street, 4th Floor, Room 418
Santa Cruz, CA 95060
HousingProgramsInfo@santacruzcountyCA.gov
<https://cdi.santacruzcountyca.gov/Planning/Housing.aspx>
(831) 454-2332

Email Delivery Notice: Due to potential spam filtering or other issues outside our control, the County cannot guarantee timely email delivery or receipt. Please check the above website frequently for updates. Contact CDI Housing Staff at **(831) 454-2332** if you have not gotten a response to your email inquiry within 3 business days. *Se habla español.*

For more information about the NOFA:

Written questions only will be accepted by email as follows:

Applicants with substantive questions about this NOFA (applicant eligibility, etc.) should email HousingProgramsInfo@santacruzcountyca.gov with their question with the subject line: NOFA QUESTIONS.

Staff will respond to questions via email in no more than 3 business days, and will post an FAQ with all questions and staff responses to the website above, as questions are received, to be updated periodically throughout the application period.

Please do not include any project or applicant details you don't wish to have posted in the online FAQ in your email.

APPENDIX A

Funding Conditions

This appendix highlights some of the key conditions of the County funding offered in this NOFA that are frequently of concern to applicants. This is not an exhaustive list of all conditions of these County funding sources. A complete list of funding conditions will be provided in conditional commitment letters and/or loan agreements with the successful applicants.

I. Competitive Bidding

Applicants must:

- Competitively bid all contracts valued at \$10,000 or more, including rehabilitation contracts, environmental/due diligence studies, and consulting contracts entered into after award date.
- Disclose if the planned housing project will use a design/build model where the Applicant or their Affiliate is the General Contractor that will build the project, and explain how construction costs will remain competitive.

Nonprofit Self-Help Developers (e.g., Habitat for Humanity):

- May serve as general contractor if they are so licensed;
- May use volunteer/self-help labor consistent with customary practices;
- Shall competitively bid any construction contracts or subcontracts and consultant contracts valued at \$10,000 or more.

II. Environmental Review Restrictions

Applicants must avoid actions that limit reasonable project alternatives prior to completion of CEQA (and, if applicable, NEPA) review.

Refrain from acquisition, grading, construction, or tenant displacement before environmental clearance unless expressly permitted.

III. Relocation Requirements

Projects that would require permanent tenant relocation are not eligible for this NOFA. If temporary displacement is unavoidable:

- Temporary relocation assistance must be provided consistent with California relocation law and County policy.
- A Temporary Relocation Plan must be submitted with Application and approved by CDI Housing Staff prior to project start.

IV. Labor Compliance

All County and/or state funding provided through this NOFA requires the assisted housing project to comply with all applicable state law, including the payment of prevailing wages, unless the project meets one of the exceptions of Labor Code §1720(c), as determined by the Department of Industrial Relations. Predevelopment activities themselves (e.g., design, legal work) are generally not subject to prevailing wages as they do not involve the construction trades. For further assistance on this topic, we recommend you speak to your legal counsel.

V. Conditions associated with each funding source

PLHA (Predevelopment Activities Only)

The County receives a formula grant of State of CA PLHA funds through the CA Dept of Housing and Community Development (HCD). HCD requires the County to use an HCD-approved form of predevelopment loan documents and to meet all applicable PLHA guidelines and state statutes when using PLHA funds. For additional information, please review the materials provided under the “Formula” section of the PLHA website:

<https://www.hcd.ca.gov/funding/plha>

LMIHAF

The County’s LMIHAF consists of revenues generated from prior uses of the County’s former RDA Housing set-aside funds, primarily repayments of prior Housing loans. Uses of LMIHAF today are governed by state law, specifically sections of the CA Community Redevelopment Law (Health & Safety Code Sections 33000 – 33855) as amended by the provisions of Health & Safety Code Section 34176.1:

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=34176.1.&lawCode=HSC

AHIF

The County AHIF was created by the Board in 2015 to receive affordable housing impact fees (AHIF) paid by developers of market-rate housing and certain types of non-residential developments. The Board adopted a set of principles to guide expenditure of AHIF revenues in April of 2015. See pp. 8 – 11 of Appendix B to this NOFA for details.

APPENDIX B

January 27, 2026, Board Approval to Release NOFA