Small Sites Program
NOFA Questions and Answers

September 18, 2026

Q1. Our understanding of SSP guidelines is that no more than 34% of existing households can be over income to qualify. Would a project with half its households over 80% AMI qualify for SSP funding?

A1. Section III.A. of the City's HTF & SSP Guidelines includes the affordability requirements for HTF projects. SSP projects are required to either restrict all units at 80% AMI or achieve an average affordability of 80% AMI across the project. It would depend on whether the applicant intends to restrict all units at 80% AMI or income-average all units to 80% AMI. The project would not qualify if all units are restricted at 80% AMI, since only 50% of tenants would income-qualify based on that standard. However, the project could qualify if the under-80% AMI tenants have low enough incomes to balance out the over-income tenants.

Q2. On Page 4 of the NOFA, it states that applicants must submit tenant income certifications within 15 days of submitting an application. Conversely, page 14 of the NOFA (Section J(2)(b)) states that tenants must be income certified by loan closing. Can you clarify whether these two terms are in conflict with each other, and if so, which is correct?

A2. As stated in the NOFA, applicants are required to submit tenant income certifications if available within 15 days of submitting the application. The tenant income certifications are reviewed as part of the application review and underwriting process. Section J(2)(b) of the Small Sites Program Guidelines requires that 66% of existing households be income-certified either on average or individually, depending on the proposed affordability requirements. If additional time is requested by the applicant, it would likely add time to the City's approval and loan closing timelines.

Q3. Could a GC undertake a PNA and provide the PNA as part of the application? And, could the PNA be required at the time of loan closing? The PNA process can be expensive, and is invasive to residents. It seems to be that requiring a PNA within 15 days of an application would be

difficult to schedule and unnecessarily expensive if the application were to be denied.

A3. The GC may conduct the PNA if they are a third party and not associated with the applicant. The City must approve scope of work that is supported by the PNA. The City's approval would be conditioned on receiving a PNA and a budget that meets the program requirements. In addition, the applicant would need to submit an approved PNA at least 30 days before the target loan closing date.

Q4. We're having difficulty with a tenant income certification and are curious if there is someone at the City we can speak with for advice. Essentially we are not getting complete financial information from a resident and would like to know if what we have is sufficient for City compliance purposes.

A4. Please see the attached Appendix D for acceptable source documents for income and assets for the City's BMR program. We can accept both standard income certification documentation and a letter from a housing authority (e.g., Berkeley Housing Authority) or another program like Berkeley's Shelter Plus Care that provides the household with rental assistance - as long as the statement includes the tenant's household size and states the amount of the household's annual income.

Q5. Do any of the HTF guidelines apply to the Small Sites Program? Do the Section I. Threshold Requirements in the guidelines apply to both programs or just HTF? Are the Small Sites Program guidelines (Section VII) completely separate from the HTF guidelines and all that applicants have to comply with?

A5. No, the HTF guidelines do not apply to the Small Sites' Program.
Section I, Threshold Requirement, is under the HTF Guidelines and applies to projects under the HTF program.
Yes, the Small Sites' program guidelines (Section VIII) are separate from the HTF guidelines.

Q6. The Application Checklist item #2 Applicant Experience requires audited financial statements, articles of incorporation, by-laws, IRS tax exemption letter, etc. This is typically documentation for nonprofit borrowers/developers. For the Small Sites Program, can for-profit smaller developers apply with robust experience? Are unaudited financial statements acceptable?

A6. Yes, a for-profit developer can apply. According to Section K of the Small Sites' Program Guidelines, the applicant must have completed one comparable project and demonstrated capacity to undertake the proposed project.
Audited financial statements are required as part of application.

Q7. If all units are restricted at 80% AMI and all existing and new tenants qualified below 80% AMI, then all units could be restricted at 80% AMI, correct?

A7. Yes. Please see Section I. of the Small Sites Program guidelines for more information. Also refer to the first question on Page 1 of this document.

Q8. Are there any operating reserve requirements in the budget? There is a vacancy reserve requirement for vacant units. Can we capitalize an operating reserve in lieu of a vacancy reserve?

A8. According to Section G.3.a. of the Small Sites Program guidelines, the project budget is required to capitalize 25% of budgeted Year One operating expenses as an operating reserve.
No. A vacancy reserve is required (please see Section H.8.c. for details).

Q9. The guidelines state that "The project must have a bank or CDFI loan in addition to the funds requested by the City and any equity participation by the borrower/buyer." - the application also requires a financing commitment. Does this commitment have to come from the bank or CDFI loan? Does the 10% developer equity requirement in the HTF guidelines apply to the Small Sites Program?

A9. The project must leverage other, non-City financing commitment but it does not have to come from a bank or CDFI. The financing has to be from a source the City can verify as being available and reliable. The City will not subordinate its regulatory agreement to a private funder's deed of trust. The developer must provide backup documentation such as bank statements if the funding includes developer equity. The funding commitment cannot expire before loan closing. The 10% developer equity requirement is only for HTF projects and does not apply to the Small Sites Program.

Q10. Is there a cutoff or deadline to submit an application? What is the earliest that we can submit an application?

A10. Applications are accepted on a rolling basis and can be submitted at any time.

Q11. The December 26, 2025 NOFA FAQ states that a PNA can be submitted after the application but that the City's approval would be conditioned on receiving a PNA at least 30 days before the target loan closing date. If a PNA lags behind the application date by more than 15 days, will the City still consider the application provided that the applicant shares the PNA 30 days before the target loan closing date?

A11. The applicant would need to submit an approved PNA at least 30 days before the target loan closing date.

Q12. May a for-profit California LLC apply directly, or must the applicant be a nonprofit affordable-housing developer or community land trust?

A12. Yes, a for-profit California LLC can apply. Please also see Q6.

Q13. If an eligible nonprofit or land trust must be the applicant/borrower, may *an organization* participate transparently as a co-developer, acquisition consultant, or development-services provider under that sponsor?

A13. A nonprofit or land trust is not required to be the applicant/borrower. Yes, an organization may be a co-developer, acquisition consultant or services provider under the borrower.

Q14. At what stage is executed site control required: initial application, conditional award, underwriting, or closing?

A14. Site control is not required at the time of application. Site control is required before funds are released or after fully documented acquisition. Please see Section D of the Small Sites Program guidelines.

Q15. Is the current $3.8 million Small Sites opportunity accepting applications on a rolling basis, and are funds still available?

A15. Yes.

Q16. What affordability period, resident protections, relocation requirements, and tenant-purchase or right-to-return requirements apply?

A16. As described in the NOFA, the City's Small Sites Program's (SSP) requirements would apply. SSP supports the conversion of vacant or rent-controlled properties to affordable housing with 55-year regulatory agreements, ensuring long-term affordability for current and future residents. The standard SSP loan term is 55 years, with a 55-year regulatory agreement period. Please see the City's SSP guidelines for details, particularly Section J and M.

Q17. May assisted properties accept Housing Choice Voucher tenants or pursue project-based vouchers through the applicable housing authority, recognizing that voucher approval is separate from the Small Sites loan?

A17. Yes. Please note any sources of funds in the application including Tab 5, Financing, of the application workbook.

Q18. Please confirm the current submission method, required application workbook, and any mandatory pre-application meeting?

A18. As noted in the SSP NOFA, the current submission method is electronic via email and includes the application workbook and the supporting documentation described in the NOFA. Please see *Application Instructions* in the NOFA for details. There is no mandatory pre-application meeting.