

City of Cupertino

Notice of Funding Availability (NOFA) and Request for Proposals (RFP)

Issued: November 03, 2025
Deadline: February 03, 2026

The City of Cupertino has issued the fiscal year (FY) 2026/27 NOFA and RFP. The City is requesting proposals for eligible capital housing projects and public service programs. The City may award and appropriate funds to one or more eligible projects in each funding category. Funds must be used to serve low-and/or moderate-income households located within the City of Cupertino jurisdiction limits.

The following funding sources are on a one-year grant funding cycle (FY 26/27):

1. Below Market Rate (BMR) Affordable Housing Fund (AHF) Capital Housing Projects (up to \$1,100,000)
2. Community Development Block Grant (CDBG) Capital Housing Projects (approx. \$280,000)

The estimated CDBG dollar amounts may change based upon the final federal budget approved by Congress. BMR AHF allocations are subject to City Council approval and may change as a result.

CAPITAL HOUSING PROJECT FUNDS:

- **Funding Source #1- BMR AHF Capital Housing Projects (FY 26/27):**

The City estimates up to **\$1,100,000** will be available to fund eligible BMR AHF capital housing projects on a competitive basis for FY 26/27. BMR AHF funds must be used for eligible housing projects that will serve low-and/or moderate-income households located within the City of Cupertino jurisdiction limits.

Project Requirements:

BMR AHF capital housing project funds will not be granted or issued as forgivable loans. The City invites eligible non-profit and for-profit Development Entities (DEs) to submit proposals for eligible funding activities, which include, but are not limited to:

- Land acquisition
- New construction
- Acquisition and/or rehabilitation of buildings for permanent affordability
- Substantial rehabilitation

Project Affordability Requirements:

BMR AHF affordable rental and/or ownership housing proposals must meet the City's BMR requirements and offer 99 years of affordability. An affordable regulatory agreement will be recorded against the property to ensure affordability.

Eligible Development Entities (DEs):

Eligible DEs include non-profit and for-profit organizations licensed to conduct business in the State of California.

- DEs must demonstrate credit worthiness, financial capacity, relevant experience to undertake acquisition, rehabilitation, operation of rental housing, or redevelopment of new affordable housing.
- DEs must have no negative financial and project management history within the last five years (i.e., DEs has not been in monetary default on a loan and has been current on all financial obligations and compliance documentation).

Loan Terms and Requirements:

	Rental	Ownership
Loan Type:	Acquisition, predevelopment/construction converting to permanent, rehabilitation	Acquisition, rehabilitation and/or construction
Interest Rate:	3.0% simple interest	3.0% simple interest
Loan Term:	30 yrs.	30 yrs.
Affordability Term:	99 yrs.	99 yrs.
Security:	Deed of Trust, Promissory Note and other regulatory agreements recorded against the property as required by the City	Deed of Trust, Promissory Note, and other regulatory agreements recorded against the property as required by the City
Security Position:	Will consider subordinating to a construction or permanent lender with City approval	Will consider subordinating to a construction or permanent lender with City approval
Repayment Terms:	Interest only. All outstanding interest and principal will be due in full and payable on or by the maturity date. Required 50/50 split of the residual receipts.	Interest only. All outstanding interest and principal will be due in full and payable on or by the maturity date. Required 50/50 split of the residual receipts.
Timeframe:	It is expected that projects must proceed expeditiously to construction	It is expected that projects must proceed expeditiously to construction
Financial Pro-Forma:	Submit development financial pro-forma to be reviewed by City. Subject to review by qualified third-party consultant/organization to determine reasonableness	Submit development financial pro-forma to be reviewed by City. Subject to review by qualified third-party consultant/organization to determine reasonableness
Environmental Conditions:	All environmental conditions (EX: CEQA) that are applicable to an eligible project must be satisfied	All environmental conditions (EX: CEQA) that are applicable to an eligible project must be satisfied
Project Conditions:	Project may be subject to Planning Commission and/or City Council approval prior to Deed of Trust, Promissory Note and other recorded regulatory agreements being executed and disbursement of funding being approved	Project may be subject to Planning Commission and/or City Council approval prior to Deed of Trust, Promissory Note and other recorded regulatory agreements being executed and disbursement of funding being approved

Underwriting Criteria:

Proposals and DE's will be underwritten in accordance with City policies which includes, but not limited to, compliance with the General Plan, BMR Housing Mitigation Program Procedural Manual (Housing Mitigation Manual), and Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units (BMR Manual).

- **Funding Source #2: CDBG Capital Housing Projects (FY 26/27):**

The City estimates allocating approximately **\$280,000** in funding for eligible CDBG capital housing projects on a competitive basis for FY 26/27. CDBG capital housing project funds must be used for projects that will serve low-income households located within the City of Cupertino jurisdiction limits. CDBG capital housing projects are subject to HUD Section 3 requirements. The CDBG program is directed toward expanding and maintaining the affordable housing supply; promoting housing opportunities and choices; maintaining and improving community facilities; increasing economic opportunities, accessibility, energy efficiency and sustainability; and providing supportive services specifically for persons of very low and/or low-income. Targeted groups might include persons who are homeless, seniors, persons with disabilities, and other special needs groups.

The City estimates receiving an approximate total of **\$354,000** in CDBG program entitlement funds from the United States Department of Housing and Urban Development (HUD) for FY 25/26. Approximately \$50,000 in unexpended CDBG funds from previous years will be added to the eligible CDBG capital housing project category. CDBG funding is allocated on a competitive basis. A list of eligible CDBG capital housing project activities is available on the HUD website: <https://www.hudexchange.info/cdbg-entitlement/cdbg-entitlement-program-eligibility-requirements/>.

RFP Review Process:

Upon receipt of proposals, staff will conduct an initial review to determine program and/or project eligibility and completeness. The City reserves the right to request additional information from an applicant. After the RFP deadline, all eligible and complete applications will be forwarded to the City's five-member Housing Commission for initial rating and ranking. A Housing Commission public hearing will be held in Spring 2025 and funding recommendations will be forwarded to the City Council for final approval. A City Council public hearing will be held in Spring 2025 to determine the final funding recommendations.

Award Notification:

In late Spring 2026, organizations will be notified of City Council final funding recommendations through this FY 26/27 NOFA/RFP.

Disclaimer:

This RFP does not commit the City to award any contract or developer agreement, execute any grant or loan documents, pay and pre-award expenses, or pay any costs incurred in the preparation of a proposal. The City reserves the right to: 1) accept or reject any or all proposals received; 2) waive a non-substantive deficiency or irregularity; 3) negotiate with any qualified applicant; 4) execute grant or loan documents in what it believes to be in the best interest of the City; 5) cancel this request, in part or its entirety, if it is deemed to be in the best interest of the City; 6) reject the proposal of any applicant who has previously failed to perform properly; 7) reject the proposal of any applicant who has failed to complete a contract within the specified timeframe; 8) reject the proposal of any applicant that is not in a position to fulfill a resulting contractual obligation; or 9) recommend partial funding of a proposal.

Evaluation Criteria:

Proposals will be reviewed and scored relative to the below program and project scoring summary. **The maximum possible score is 100.**

Scoring Summary	Points
1. Organization Experience and Capacity	50
2. Program/Project Readiness	30
3. Program/Project Leveraged Funds	20
Maximum Possible Score	100

RFP Application Information & Deadlines:

The RFP application period will open at 8:00am on Monday, November 03, 2025, and will end at 5:00pm on Tuesday, February 03, 2026. Organizations who intend to apply for funds through this RFP must apply online at www.citydataservices.net. To obtain a temporary login username and password, please visit and request at www.citydataservices.net. For additional questions, please contact Nicky Vu, Senior Housing Coordinator, at NickyV@cupertino.gov or (408) 777-1347. Any RFP application that does not meet the deadline will not be accepted.

Note: All proposals are subject to the conditions, instructions and specifications included in this NOFA/RFP. Applicants will be notified of upcoming meetings and public hearings to discuss the expenditure of BMR AHF and CDBG funds. The City will provide alternative accessible formats of this document upon request. If you need this document in an alternative format such as large print, Braille, audiotape, or computer disc, please contact the City at the contact information listed above.