



**NOTICE OF FUNDING AVAILABILITY (NOFA) FOR AFFORDABLE
MULTIFAMILY RENTAL HOUSING, ROUND 31
QUESTIONS AND ANSWERS NO. 1**

Issued on February 20, 2024

The below responses to questions submitted by the February 14, 2025, deadline do not include questions previously answered through the Universal NOFA application website (UNOFA), which can be found in the UNOFA's "Ask a Question" page.

Requirements

- 1. Please confirm that, as in prior NOFAs, a lead-based paint and asbestos report is not required if the project will involve the complete demolition of existing structures and the applicant commits to the necessary remediation of demolished materials.**

Answer: Correct, the requirement has not changed.

- 2. Developer fee for 9% TCAC projects maximum developer fee is \$2.5 Million. However, TCAC's regulations Section 10327(c)(2)(A), adopted December 11, 2024 allows a project that is restricted for a Special Needs Population and meeting certain criteria to earn a higher developer fee of \$2.8 million. Given this TCAC regulations, does LACDA NOFA 31 also allow this higher developer fee.**

Answer: The maximum developer fee is \$2.5 million and no modifiers exist within this NOFA.

- 3. Our project's city has a local preference but we were planning on doing a 'reverse match' with the Coordinated Entry System, as we would like to get DMH funding for the ICMS. Would a 'reverse match' be acceptable to LACDA?**

Answer: Projects that propose or implement a local preference will not be eligible for funding unless the project is in a jurisdiction with its own Continuum of Care. However, the LACDA would not consider a reverse match through the Coordinated Entry System as a local preference.

- 4. If proposing a mix of SN/senior housing can the different opex be combined for an average of the two?**

Answer: A weighted average may be used.



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5. Is an appraisal needed if the property is leased from the City?

Answer: Yes, if any lease payment is based on appraised value or if the value of the land will be used for any financing purposes, an appraisal is needed. If the lease is provided at \$1/year or some other nominal amount, an appraisal is not needed.

6. Does the LP ownership / development entity need to have admitted all general partner team members by the application deadline?

Answer: No, however, all project partners must be in compliance with the NOFA guidelines when identified by the project sponsor.

7. If a project already has a tax credit award prior to submitting the NOFA 31 application, is the project application deemed eligible or ineligible?

Answer: The project would be ineligible for funding through NOFA 31.

8. If we have two properties located down the street from each other but with two different APN's, are we allowed to apply for both properties under one NOFA 31 project?

Answer: If the two sites will be financed as one project, one NOFA 31 award can be requested.

9. What specifically do we need to provide as part of the "Certification of the Amenities Map" requirement?

Answer: The project must provide evidence of adequate proximity to transportation, services, and other neighborhood amenities that can be accessed by project residents and located within a 1/3-mile diameter of the site.

10. I understand, as part of this application, we need to provide L.O.I./Commitment Letters for construction debt and permanent debt. Do we also need L.O.I./Commitment Letters from tax credit equity investors?

Answer: Commitments from tax credit investors is not required at the time of application and will be reviewed later in the project life cycle, if awarded.

11. Just to confirm, we do not need to provide a new appraisal until we find out if we will receive an award for funding, and the appraisal will be due prior to the LACDA loan closing (prior to groundbreaking)?

Answer: Please see the "Appraisal Requirements" reference document for timing and other appraisal requirements.

12. Does the CEQA clearance need to come in with the NOFA 31 application as it just says before "LACDA's Executive Director making a funding recommendation to the Board." And not sure what that date is?

Answer: CEQA clearance will be dictated by project readiness and entitlements. The Board of Commissioners of the LACDA cannot approve project financing prior to CEQA clearance, therefore, the LACDA's Executive Director cannot recommend funding to the Board if the CEQA process has not been

completed. The LACDA must be notified at least 60 days in advance of any proposed Board action to ensure adequate time is provided for a review of CEQA documentation.

- 13. As a follow up to Section 2.6, we have requested a CEQA letter from the local jurisdiction, but they cannot issue a letter until we have formally submitted our project to the City for Plan Review, in order to receive the AB2162. What type of letter from the local jurisdiction does LACDA need?**

Answer: A letter from a local jurisdiction that will be used for readiness purposes must identify if the project is exempt from CEQA requirements, or the project can be developed by-right.

- 14. Since there aren't substantial changes between NOFA 30 and NOFA 31, are we allowed to reuse attachments i.e. Board of Directors Affidavit from the previous round for this current round?**

Answer: Applicants must determine if submitted materials meet the requirements of the current NOFA. Reusing materials from prior NOFA rounds is not recommended.

- 15. Confirming there is not a calculation/formula error in the self-scoring worksheet when calculating the committed perm public funds against the TDC? it is showing a much lower ratio and resulting in less points.**

Answer: Please contact the NOFA administrator directly with this question. If the worksheet contains an error, applicants will be notified.

- 16. How can we enter an ICMS agreement?**

Answer: See NOFA Section 3.8 for guidance.

- 17. Does a project involving the adaptive reuse of an existing non-residential facility meet the TCAC definition of new construction or, for LACDA, should it be qualified as a acq/rehab project. The adaptive reuse will involve the complete gutting of the existing building and creation of new residential units and common areas.**

Answer: The project as described would be an acquisition/rehabilitation project for LACDA NOFA purposes.

Scoring

- 18. Readiness Points: If the local planning authority is unwilling to sign a letter confirming the development is by-right, can a legal opinion by a land use attorney be submitted in lieu of the local planning letter for the readiness points?**

Answer: Only confirmation from the local planning authority will be accepted in this case.

- 19. For the Committed Perm Public Funds Scoring Category - can you confirm whether or not we are allowed to count committed LACDA NPLH funds?**

Answer: LACDA funding committed through prior NOFA rounds cannot be used for this purpose.

20. For the County Priorities Scoring Category - can you confirm whether or not we can claim these points if we have committed LACDA NPLH funds?

Answer: LACDA funding committed through prior NOFA rounds cannot be used for scoring purposes.

21. For a project that has received LACDA AHTF or NPLH from previous rounds, does it score the 100 points for receiving other County support?

Answer: LACDA funding committed through prior NOFA rounds cannot be used for scoring purposes.

22. There is a note on the self-score summary worksheet for public funds that states: "...Points will be awarded based on non-LACDA permanent public funds currently committed to the project." Is it accurate to interpret this as only non-LACDA commitments can be counted in the public funds category?

Answer: Correct, prior LACDA funding commitments cannot be used for scoring purposes.

23. During the mandatory proposer conference, it was mentioned that funding awards would be separated into two tiers. Can you please clarify which projects are in Tier 1 and which projects are in Tier 2? Is it based on the project SPA like NOFA 30?

Answer: Reference to tiered scoring is not meant to convey a priority. Projects will be grouped by Supervisorial District, with the goal of equitable distribution of funded projects throughout the County. Then, after projects are separated by District, scoring will be used to determine ranking order for the purpose of making project awards.

24. For lead developer experience, can a developer use experience for projects that are more than 10 years old if there has been no end to the developer's involvement in the project?

Answer: Yes, the reference to the 10-year timeframe in NOFA section 5.2.1 is for projects where the lead developer ended ownership.

25. Please confirm that points can be claimed in both Emerging and Developer categories if an experienced Developer is partnering with an Emerging Developer.

Answer: Yes, developer experience and emerging developer experience are two separate scoring categories.

26. Can the experience of a company principal or key staff be used as Developer Experience and Managing GP Experience, as has been allowed in previous rounds?

Answer: Yes.

27. To be considered under HCD's SuperNOFA set-aside for Emerging Developers, "...must receive no less than 50 percent of the project's total developer fee. This requirement will be included as a special condition in the project's respective standard agreement, as well as in its regulatory agreement (or covenant, where applicable)." Under LACDA's scoring section for "Development Team," in order to obtain points for Emerging Developer, do the same HCD requirements apply?

Answer: HCD requirements do not apply to the LACDA's NOFA.

28. For the Bonus Points Scoring Category - Special Needs project, per NPLH regulations, we had to restrict the number of special needs units to 49% or less of total units. Therefore, our special needs units are 48.43% of total units. Are we able to round this up to 49% for these points?

Answer: If the number of special needs units were restricted by No Place Like Home requirements, please note this circumstance in the project application and the project will be considered for the identified special needs bonus points.

29. Under LACDA's scoring section for "Bonus Points," in order to obtain LACDA's "Special Needs Project" points: Special Needs Project: Projects that reserve 49% or more of the total units or 50 units (excluding any manager's unit) for a Special Needs population will be awarded 25 points. TCAC recently revised its definition of a "Special Needs Project" to: "To be considered Special Needs, the greater of 15 Low-Income Units or 25% of the Low-Income Units in the project shall serve Special Needs Population(s)." Question: Will LACDA consider updating its definition of a "Special Needs Project" under this NOFA or a future NOFA to align with TCAC's definition? Since all public funds are competitive, including LACDA's, these bonus points will likely become a threshold requirement to apply for LACDA funding. If the language is not updated, there is a strong likelihood that all projects with LACDA funds or Project-Based Vouchers will be considered a TCAC "Special Needs Project." As a result, TCAC housing types such as "Large Family" could be at a disadvantage.

Answer: The identified requirement will not be changed in the current NOFA and planning for future NOFA requirements cannot be discussed at this time.

30. Can recycled bonds be included in the public funds scoring calculation?

Answer: No.

31. "Committed Permanent Public Funds": Would a conditional funding letter, or an early support letter from a public agency suffice to receive points for this category?

Answer: The NOFA identifies the commitment of permanent public funds to be a commitment letter from the public funding entity identifying that no discretionary actions remain for funding approval. A conditional funding letter does not appear to meet this definition.

32. "Committed Rental Assistance for Special Needs Units": Would a conditional voucher letter, or an early support letter from a housing voucher provider suffice to receive points for this category?

Answer: As stated in the NOFA, rental assistance will be considered committed if a commitment letter from the agency's Executive Director or other decision-making authority is included with the NOFA application. A conditional voucher letter does not appear to meet this definition.

33. Under scoring section "County Priorities" it states " ...or projects that receive capital funding from a Los Angeles County agency for the development of this project will be awarded 100 points." Question: If a project has an LA Metro - which is a Los Angeles County agency - ground land lease, will the project receive the 100 points?

Answer: Metro projects are not eligible to be included in this scoring item.

Funding

34. Is a project eligible to apply if it already has a prior LACDA-AHTF funding commitment through NOFA 28 and can commit more units for additional AHTF funding and PBVs under NOFA 31 without exceeding the \$10M maximum subsidy per project?

Answer: Yes.

35. Section 3.1. says "Funding awards through multiple NOFAs may not be stacked on any units previously awarded NOFA funds by the LACDA," will No Place Like Home funding, which while County administered, is a state resource, be excluded from this clause since it's not a local source?

Answer: If No Place Like Home funds were allocated through a past NOFA, this requirement applies.

36. A project has been recommended for award of NPLH Funds and Vouchers under NOFA 30. NOFA 30 (Section 3.2.2 page 10) limited NPLH units and other units reserved for homeless individuals living with a mental illness must be less than 49% of the total units in a project. If a project is applying for AHTF funds, may the project exceed the 49% cap placed by NOFA 30? Or may AHTF and NPLH funds be stacked?

Answer: Any limitation on the number of units dedicated to a No Place Like Home population from past funding actions will not be waived for the current NOFA.

37. In the NOFA, it says this: "Funding awarded under this NOFA is reserved for 12 months, following the funding recommendation issued by the LACDA" Does this mean we have 12 months to accept or that we must begin spending within 12 months? If it is the former, is there a deadline that we must begin to spend funds by?

Answer: NOFA section 3.1.7 states: "Awardees must demonstrate that the project can successfully close construction financing within 12 months from notice of award of funds or use NOFA funds to leverage another source of financing within six (6) months of notice of award. Construction financing close must then occur within 12 months of this subsequent application." There is no deadline for spending funds after the close of construction financing.

Homekey+

38. Is there an exception to the 400 square foot minimum unit size for Homekey+ hotel conversion projects?

Answer: An exception may be made, but further project information would be needed before approval of studio units below the stated minimum.

39. Would LACDA consider Homekey+ Gap Financing applications for projects located in the City of Los Angeles?

Answer: Homekey+ gap financing projects may be considered in the City of Los Angeles, but further project information is needed before a definitive answer could be provided. This NOFA only seeks to identify potential Homekey+ projects.

40. Can Homekey+ dollars be requested as part of this NOFA for gap financing? There is a note about checking the appropriate box. May they be paired with tax credits for gap financing?

Answer: Homekey+ funding is administered by the State of California Department of Housing and Community Development and cannot be requested through this NOFA. Instead, the County of Los Angeles is seeking information related to potential projects whereby the County may co-apply for Homekey+ funding.

41. Our organization is interested in co-applying with the LACDA for Homekey+ Acquisition/Rehabilitation PSH projects in LA County. Please describe the process through which our organization (as project sponsor) would use this NOFA to propose a co-application on one such project with the LACDA on a Homekey+ application.

Answer: At this time, the County of Los Angeles, through the LACDA, is requesting information related to NOFA applicants' interest in applying to the State of California Department of Housing and Community Development for Homekey+ financing. Further evaluation of potential Homekey+ projects will be performed outside of this NOFA.

Project Based Vouchers

42. The Term Sheet references that 200+ units are not subject to special needs categories. Does that mean that a 200-unit project could get an award of PBVs without an award of AHTF?

Answer: The NOFA 31 Term Sheet states that projects greater than 200 units on County-owned land are exempt from the requirement to restrict 49% of the units for an eligible special needs population. Applications that only seek Project Based Vouchers are not permitted.

43. The Housing Authority of the City of Los Angeles (HACLA) has currently allocated enough Project Based Vouchers (PBV) to bring HACLA over 29% of their 30% PBV utilization limit. Additionally, HACLA has reserved all remaining PBV utilization allowance (i.e. less than 1%) for HACLA public housing redevelopment projects. This has effectively brought HACLA to the 30% PBV utilization limit, meaning they are not able to issue any additional PBVs in the City of Los Angeles. If we included a letter from HACLA in our LACDA NOFA application submittal that stated the previous facts, would this qualify a project in the City of Los Angeles to be eligible to be considered for a PBV award from LACDA in NOFA 31?

Answer: The LACDA does not anticipate issuing Project Based Vouchers in the City of Los Angeles. The NOFA states that the LACDA will consider providing PBVs to projects in jurisdictions in which the local Housing Authority has reached its statutory cap for PBVs, as evidenced by the issuance of Housing Assistance Payment (HAP) contracts.

44. Are acquisition-rehabilitation projects that have regulatory agreements/covenants expiring within five (5) years eligible to apply for capital funds and PBVs through NOFA 31? The Project is not proposing net new affordable units but intends to undergo a tax credit resyndication to preserve the property's long-term affordability.

Answer: The NOFA states that projects of this type must provide new affordable units. The project described would not meet this requirement.

45. Is there a cap on the number of PBVs we can request?

Answer: There is no cap on the number of Project Based Vouchers that can be requested with the caveat that Project Based Vouchers are available only for units that are first awarded capital funding.

46. In conjunction with its capital ask, if a project application requests PBVs for 100% of units, but LACDA determines there are insufficient vouchers available to fulfill the full request, will LACDA allow the applicant to revise and resubmit the proposal with a reduced PBV count, provided the project remains financially feasible with fewer vouchers?

Answer: In the instance described, the LACDA would notify a project sponsor of the shortfall in the number of available Project Based Vouchers and offer a reduced amount. The project would need to be financially viable with reduced vouchers.

47. "Committed Rental Assistance for Special Needs Units": can this letter be for tenant-based vouchers, or does it have to be project-based vouchers?

Answer: Tenant-based vouchers cannot be used to show a commitment of rental assistance.

48. In UNOFA application, under PBV - Project Summary section, building information "unit type" only allows to choose one option from drop down button (efficiency/studios, 1bd, 2bd, 3bd, 4bd, 5bd) - how can we answer this for a mix unit project?

Answer: Please complete and add information for different unit types one at a time within the UNOFA application.