



# **NOTICE OF FUNDING AVAILABILITY AND PROGRAM GUIDELINES**

**Affordable Multifamily Rental Housing**  
**NOFA Round 32**  
**Fiscal Year 2025-2026**

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**SUPPLEMENTAL DOCUMENTS**

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1.	Environmental Requirements
2.	Eligible Areas
3.	PBV and PBVASH Voucher Regulations and Guidelines
4.	Supportive Services Criteria
5.	Architectural Design Requirements
6.	Affirmative Fair Housing and Accessibility Requirements
7.	LACDA Underwriting Guidelines
8.	Community Outreach Toolkit
9.	General LACDA Requirements
10.	Utility Allowance Schedule
11.	Section 8 Payment Standards
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# 1 PROGRAM OVERVIEW

## 1.1 INTRODUCTION

The focus of this Notice of Funding Availability for Affordable Multifamily Rental Housing (NOFA) is on new construction and acquisition/rehabilitation projects that create new multifamily General Affordable and Special Needs rental housing units in the County of Los Angeles (County). Projects funded through this NOFA are expected to help increase residents' housing security and financial stability, meet the housing needs of the communities in which they are located, and contribute to resilient and equitable neighborhoods.

Through this NOFA, eligible applicants may apply for capital financing, as well as rental assistance in the form of Section 8 Project-Based Vouchers (PBVs) and Project-Based Veterans Affairs Supportive Housing Vouchers (PBVASH), which collectively may be referred to as PBVs. Among other requirements, applications for PBVs must accompany a request for capital funding and projects seeking rental assistance must be within the Section 8 jurisdiction of the Los Angeles County Development Authority (LACDA). An exception is made for unincorporated projects that have received LACDA funding in the past but have not secured any PBVs. These projects may apply solely for PBVs through this NOFA.

This NOFA makes available up to **\$90 million in capital funding** for eligible affordable multifamily rental housing projects. Additionally, LACDA is designating this NOFA as its public notice of a competitive request for the award of up to **300 PBVs**.

## 1.2 NOFA TIMELINE

Date	Event
4/23/2026	NOFA Release
5/6/2026	Mandatory proposers conference at 2:00 pm
5/15/2026	All Projects must submit a completed Real Estate Owned (REO) Schedule form to <a href="mailto:NOFAapp@lacda.org">NOFAapp@lacda.org</a>
5/21/2026	Deadline to submit questions through the UNOFA's Q&A
5/28/2026	Q&A published
<b>6/8/2026</b>	<b>Applications Due Before Midnight (by 11:59:59 p.m.)</b>
6/15/2026	List of applications and self-scores posted
6/15/2026 – 7/27/2026	Application review period (may be adjusted based on the number of applications received)

## 1.3 MEETING FOR FUNDED PROJECTS

NOFA awardees may be required to attend a meeting for funded projects. This meeting, if required, will be scheduled after awards are announced, as a means of providing information to project sponsors regarding funding requirements and timelines, as well as discussing project details.

## 1.4 IMPORTANT RESOURCES

### NOFA Online Application

<https://www.unofa.org/>

### LACDA Affordable Housing Information

<https://www.lacda.org/affordable-housing>

### LACDA NOFA 32 Highest/High Resource Area Map

[NOFA 32 Map](#)

### UNOFA E-mail Subscription

Provides notification of NOFA-related information, such as upcoming NOFA rounds, NOFA addenda, meetings, and other important funding information. This email list is also used to advertise other LACDA or County affordable housing related opportunities.

<https://www.unofa.org/#/homepage>

### NOFA Administrator and Point of Contact

The LACDA's NOFA Administrator and point of contact for this NOFA is: Beatriz Lopez – [Beatriz.Lopez@lacda.org](mailto:Beatriz.Lopez@lacda.org).

## **2 APPLICATION PROCESS**

All NOFA materials and information can be found in these NOFA guidelines and the Supplemental Documents identified in the Table of Contents. These NOFA guidelines are augmented by and incorporate by reference the Supplemental Documents.

Applications will only be accepted via the online application system, located at <https://www.unofa.org>. All application materials must be submitted before the application closing date and time, as indicated in this NOFA Guidelines.

Acceptance by the LACDA of an application under this NOFA constitutes agreement by the applicant as to all terms, conditions, requirements, and rules of the NOFA but does not constitute a contract or commitment of any kind. The LACDA reserves the right, in its sole discretion, to reject any and all applications in whole or in part. Once an application has been submitted, applicants will not be permitted the opportunity to cure deficiencies, unless requested to do so by LACDA. LACDA may, in its sole discretion, request clarification of any portion of an application from the applicant and its development team.

### **2.1 MANDATORY PROPOSERS CONFERENCE**

All applicants must attend a Mandatory Proposers Conference (see NOFA Timeline above), which will be hosted on Microsoft Teams and will provide the LACDA an opportunity to present application information and provide responses to applicant questions. The LACDA will not accept applications from project sponsors that did not attend the Mandatory Proposers Conference.

### **2.2 QUESTIONS AND ANSWERS**

Questions regarding the NOFA should only be submitted through the online application portal via the “Ask a Question” link. Inquiries made by any other means (ex: by email or phone) will not be answered. The deadline for submitting questions is identified in the NOFA timeline.

### **2.3 APPLICATION EVALUATION**

Applications are evaluated in two (2) stages: 1) Threshold Review and 2) Technical Scoring and Evaluation. The UNOFA application portal includes the Application Checklist, which identifies threshold criteria that must be met to be considered for funding.

The Threshold Review evaluates completeness of the application and compliance with program and threshold requirements. Applications that do not pass Threshold Review will not receive further consideration. Applications that pass Threshold Review move to Technical Scoring and Evaluation, which evaluates projects based on the NOFA Scoring Criteria. Applicants are notified of the outcome of both the Threshold Review and Technical Scoring and Evaluation via e-mail to the point of contact identified in the application.

If the applicant is also applying for PBVs through this NOFA, the LACDA will determine compliance with applicable U.S. Department of Housing and Urban Development (HUD) regulations and LACDA's Administrative Plan requirements. Requests for PBVs will go through the same Threshold review and Technical Review process as capital funding. During Threshold Review, the project's development timeline will be reviewed for reasonableness, additional documentation may be requested to support timeline. See the PBV and PBVASH Vouchers Regulations and Guidelines supplemental document for program and application requirements.

## **2.4 APPLICATION REVIEWS AND APPEALS**

The Threshold Review includes overall project feasibility, as well as specific application items, as described in the NOFA Application for Funding checklist. Results of the Threshold Review are final, with one exception. LACDA will accept a Threshold Review appeal following application disqualification if the applicant provides evidence demonstrating any missing document existed and was submitted as of the application filing deadline.

Applicants may appeal the Technical Scoring results. The written appeal will be the sole basis of LACDA's consideration of the appeal. Appeals must be received by LACDA no later than five (5) business days after applicant notification of scoring. Late appeals will not be considered and once the written appeal is submitted, no further information of materials will be accepted or considered thereafter. Appeals must:

- Be in writing
- Not exceed two (2) pages in length (8 ½ x 11-inch letter size, 12-point font, 1-inch margins)
- Only address procedural or technical issues, and
- Not present new information, as new information will not be considered.

No applicants may appeal LACDA's evaluation or decision relative to another application or applicant.

## **2.5 FUNDING RECOMMENDATIONS**

Applications are recommended for funding based on Technical Scoring. A Review Panel reviews project scoring results before making funding recommendations to the LACDA's Executive Director. All awards are provisional until approved by the LACDA's Board of Commissioners ("Board").

## **2.6 CEQA CLEARANCE AND FUNDING COMMITMENTS**

Project sites must be free from severe adverse environmental conditions, such as the presence of contamination or site conditions that place an undue financial burden on the project, or that cannot be mitigated to the satisfaction of the LACDA. The LACDA, in its sole discretion, must approve the site for funding eligibility based on current environmental conditions and any remediation or mitigation plans.

The LACDA shall either be named as an intended user for environmental reports or will require a reliance letter for environmental reporting that will authorize the LACDA to rely on the existing environmental report in the project approval and loan-making process. Environmental conditions must be identified and included in any appraisal reports and a determination must be made by the applicant regarding any negative effect on a site's fair market value.

Each successful applicant is required to provide formal documentation obtained from the originating jurisdiction of the project's compliance and approval with California Environmental Quality Act (CEQA) no later than 60 days prior to the LACDA's Executive Director making a funding recommendation to the Board. The final decision for funding rests with this Board and LACDA may only issue a funding commitment after the Board approves the project. The continuing commitment of funding is then subject to compliance with all funding conditions and the NOFA's Administrative Provisions; preparation, signature, and delivery of project loan documents; and the continued cooperation of the project sponsor, including delivery of any additional information or materials requested by the LACDA.

Funding and rental assistance available under this NOFA are dependent, in part, upon appropriations from the County Board of Supervisors and the U.S. Department of Housing and Urban Development (HUD). In the event capital funds or rental assistance offered through this NOFA are not available, the LACDA, at its sole discretion, may terminate its obligations resulting from this NOFA.

### **3 SUBSIDIES AND PROGRAM DESCRIPTION**

#### **3.1 AVAILABLE FUNDS AND RENTAL ASSISTANCE**

Funding awards are based on the target populations and geography.

Rental assistance is available to eligible projects that are located in the LACDA's Section 8 program jurisdiction and meet applicable requirements.

Projects that received a past allocation(s) of NOFA funds and are applying through this NOFA are governed under the most restrictive NOFA round, which includes project and unit funding, stacking of LACDA-awarded funds, affordability requirements, underwriting guidelines, and other project, funding, and rental assistance requirements and limitations. Funding awards through multiple NOFAs may not be stacked on any units previously awarded NOFA funds by the LACDA, with the exception of units funded under the No Place Like Home Program.

Projects that do not close construction financing within the timeframes identified in this NOFA will be subject to the most current LACDA funding and underwriting requirements.

### **3.1.1 AVAILABLE CAPITAL FUNDS**

This NOFA makes available up to \$90,000,000 in Affordable Housing Trust Funds (AHTF) for eligible projects.

### **3.1.2 PROJECT FUNDING AMOUNTS**

Applications requesting funding that exceed the maximum allowable per unit or per project amounts will be disqualified.

All funding awards are subject to further due diligence review by the LACDA prior to loan closing. The award may be reduced or increased if the LACDA determines, in its sole discretion, that the full amount of the award is not necessary to achieve financial feasibility, or if the amount is insufficient to achieve the LACDA's housing goals and objectives. The LACDA may request additional documentation from successful applicants during underwriting, including applications for funding from other public and private entities.

The funding provided for a project may not be limited to the published source if the County or LACDA determines a different funding source(s) would better meet County/LACDA goals. Therefore, LACDA reserves the right to allocate and re-allocate funding sources at its discretion, including providing federal HOME funds to eligible projects. The LACDA may subordinate HOME funding to senior financing, but the HOME regulatory agreement will not be subordinated unless the Borrower provides a guaranty in form and substance acceptable to the LACDA from a guarantor acceptable to the LACDA regarding the repayment of the HOME funds and performance of related obligations.

For all projects, at least 10% of a project's units must be set aside for households earning no more than 30% of the Area Median Income (AMI). These units are not eligible for funding and will be subject to an affordability covenant. The project's cash flow is expected to carry the operational costs of this portion of the 30% AMI units. Any surplus units above the 10% at 30% AMI are eligible for financing.

<b>CAPITAL FUND PROJECT LIMITS</b>			
Fund Type	Target Population	Eligible Geography	Maximum Subsidy Per Project
AHTF	Eligible Special Needs and General Affordable Populations	Los Angeles County (Excluding the City of Los Angeles)	\$10,000,000 in AHTF  Funds are allocated on a per-unit basis for eligible assisted unit types.

<b>CAPITAL FUND UNIT LIMITS</b>	
Number of Bedrooms*	Maximum Per Unit Subsidy
Studio	\$170,000
1	\$180,000
2	\$190,000
3	\$200,000

Projects proposing 3-bedroom units for Special Needs populations must provide evidence, acceptable to the LACDA, and/or the Los Angeles County Departments of Health Services and Mental Health, that sufficient demand exists for this unit type.

### 3.1.3 AVAILABLE RENTAL ASSISTANCE

Up to 300 PBVs are available to eligible projects within LACDA’s jurisdiction. Projects must apply for and be awarded capital funds to qualify for an award of rental assistance. Rental assistance is available only for units that are also awarded capital funding. Example: A project that requests funding for 10 units may only request 10 PBVs.

<b>RENTAL ASSISTANCE TYPES</b>			
Type of Funds	Target Population	Eligible Geography	Maximum Subsidy Per Unit
PBVs	Special Needs up to 30% AMI	Unincorporated Los Angeles County or Section 8 Participating Jurisdiction	As specified by LACDA Section 8 payment standards
PBVASH Vouchers	Homeless veterans & their families up to 80% AMI		

As project-based rental assistance becomes scarce, LACDA may reduce any PBV request based on project need. LACDA will endeavor to provide notification of any such reduction during the application period, however, such notification may be made any time

before issuance of an Agreement to Enter into Housing Assistance Payments (AHAP) contract.

### **3.1.4 RENTAL ASSISTANCE REQUIREMENTS**

PBVs are subject to availability, approval, and qualification under the LACDA's Administrative Plan and HUD requirements. PBVs must serve eligible populations, and the project must be within the LACDA's jurisdiction, as defined in this NOFA. Contract terms will be up to 20 years, with the possibility of 20-year extensions, subject to approval.

Qualifying PBV projects must:

- Not replace a committed operating subsidy, except for the Flexible Housing Subsidy Pool administered by the Los Angeles County Department of Health Services (DHS).
- Serve an eligible population.
- Also submit a request for capital funds under this NOFA.
- Be located in Unincorporated Los Angeles County, or within a jurisdiction served by the LACDA's Section 8 program (excluding exception areas).

PBV Regulations and Guidelines are available as a Supplemental Document to this NOFA. Applicants applying for PBVs through this NOFA must include PBV rental assistance assumptions in project financing and submit all required information related to the application for PBVs. Unincorporated projects previously awarded capital funding solely seeking PBVs in this NOFA round must submit a full application to request PBVs.

### **3.1.5 NEPA CLEARANCE**

Projects assisted by federal funds (e.g. HOME funds) and PBVs must comply with the National Environmental Policy Act (NEPA) and complete the Environmental Service Request Form included as a Supplemental Document to this NOFA. All projects awarded HOME funds and/or PBVs from LACDA must receive NEPA clearance from the LACDA prior to construction loan financing. If project sponsors require NEPA clearance by a particular date, a request for project review and clearance must be received by the LACDA at least 16 weeks prior to the date such NEPA clearance is needed. Additional time should be expected if a site has complicating site conditions or factors. Successful applicants are responsible for implementing all NEPA Conditions of Approval described in the executed LACDA loan agreement.

## **3.2 TARGET POPULATIONS**

To qualify for funding, Special Needs and General Affordable units must target the following eligible populations:

Special Needs Target Populations

- Homeless Households
- Homeless Seniors
- Chronically Homeless
- Homeless Veterans
- Homeless Persons Living with a Mental Illness

- Persons Living with HIV/AIDS
- Persons with Intellectual/Developmental Disabilities
- Transition Age Youth (Homeless and At-Risk)
- Survivors of Domestic Violence\Human Trafficking\Sexual Assault

#### General Affordable Target Populations

- Families
- Seniors
- Extremely Low-Income Households (up to 30% AMI)

### **3.2.1 AFFORDABILITY REQUIREMENTS**

For projects that will serve General Affordable populations, at least 10% of the project units must be reserved for households earning no more than 30% of Area Median Income (AMI).

General Affordable units that receive funding must be restricted to households earning at or below 80% AMI.

Special Needs units that receive funding/rental assistance must be restricted to households earning at or below 30% of Area Median Income (AMI).

Units assisted by PBVASH Vouchers may target residents with incomes up to 80% AMI.

### **3.3 ELIGIBLE PROJECTS AND GENERAL REQUIREMENTS**

Only applicants meeting Supportive Housing Developers and PBV Eligibility criteria (see NOFA Section 5.2.2) are eligible to receive both capital and project-based rental assistance.

Projects that include Special Needs units but are not seeking PBVs through this NOFA may request funding for either Special Needs or General Affordable units. Enhanced applicant eligibility criteria only relate to applicants seeking PBVs through this NOFA.

Applicants may not submit the same project for consideration under both the General Affordable and Special Needs category.

- Projects providing General Affordable units or Special Needs units, but not seeking PBVs through this NOFA must meet the following criteria:
  - Maximum unit affordability cannot exceed 80% AMI.
  - Must reserve at least 10% of the total number of units for households earning no more than 30% AMI.
  - The General Affordable units must support the 30% AMI units, which will not receive PBVs.
- Projects providing PSH units that seek capital and PBVs:
  - Must reserve at least 20% of total units for a qualifying Special Needs population.

- Available only to eligible supportive housing developers. Applicants seeking PBVs must meet the following eligibility criteria:
  - Own, operate, and maintain at least 500 units or seven (7) projects of supportive housing in California that serve qualifying Special Needs populations.
  - Have developed and placed in service at least seven (7) supportive housing projects, three (3) of which must be located in Los Angeles County.
    - These NOFA-qualifying projects must be at least 25 units in size, serve qualifying Special Needs populations, and be subject to a recorded regulatory agreement.
  - Applicants must provide the last three (3) years of audited financial statements for at least seven (7) supportive housing projects totaling at least 500 units and that have been in operation for at least three (3) full years as of the NOFA application submission date. The audited financials must show positive cash flow and the ability of project income to pay operating expenses.
  - The applicant must provide evidence of resident housing retention and stability of at least 90% for at least five (5) of the NOFA-qualifying projects. This is measured by the percentage of residents who maintain their lease for more than two (2) years.
  - Applicants must disclose any Section 8 abatement actions taken by Public Housing Authorities, or notices of code violations of any kind received in past 24 months and provide evidence of responsive corrective actions.
  - Input from DHS and DMH will be considered in determining the eligibility of an applicant.
- Any project that proposes to reserve more than 49% of total units for a Special Needs population(s) must request a waiver from LACDA via a justification letter.

If an applicant cannot fully meet the qualifying criteria due to special conditions or circumstances, a narrative of reasonable length that provides mitigating information may be submitted with the NOFA application. LACDA, in its sole discretion, may accept the mitigating information as a reasonable substitute for the qualifying criteria.

### **3.3.1 MINIMUM PROJECT REQUIREMENTS**

All eligible project types must meet the following minimum requirements:

- Projects that receive PBVs must set aside at least 20% of project units for a qualifying Special Needs population.
- Projects that seek financing for general affordable projects must set aside 10% of project units for households earning no more than 30% AMI.
- The project must be located entirely within Los Angeles County, but not within the geographic boundaries of the City of Los Angeles.
  - An exception exists for projects located in the City of Los Angeles that are sponsored by the County or located on County-owned land.

- Transportation, services, and other amenities are within a 1/3-mile diameter of the site.
- The project must demonstrate financial feasibility and positive cash flow for at least 20 years or one (1) year after the termination of any hard debt permanent financing, whichever is greater.
- Proposed projects must demonstrate that Special Needs units are integrated with other units in the project and reflect the same unit types (number of bedrooms).
  - Applicants must facilitate or provide regular community-building activities and architectural design features that promote tenant interaction; and
  - The supportive services and property management plans must document policies that promote participation by tenants in community activities and impose no restrictions on tenants that are not otherwise required by other project funding sources or would not be common in other unsubsidized rental housing in the community.
- Tenant screening standards for the Special Needs units, including criminal background, housing history, and financial screening criteria (e.g., rental or other debt), must not be stricter than those used by the Public Housing Authority (PHA) that has jurisdiction over the location of the project site.
- Projects must be new construction, acquisition and operation, or acquisition with rehabilitation.
  - A rehabilitation project must:
    - Submit at the time of NOFA application a Capital Needs Assessment that meets the requirements of current CTCAC regulations.
    - Provide new affordable units to increase the housing stock. Projects with existing affordability covenants or agreements are not eligible unless the covenants are expiring within five (5) years of the NOFA application due date.
    - Not permanently displace low-income households.
    - Not remove low-income units from the housing stock, unless the project provides for a two- (2) to-one (1) unit replacement. Conversion of Single Room Occupancy units to studio or larger units is exempt from the replacement requirement.
- Studio units must be at least 400 square feet in size. Exceptions may be made if the project has received entitlements or has submitted for plan check.
- Projects seeking capital funds must not have submitted an application for tax credits or received a tax credit award that assumes LACDA funds before an LACDA award is issued.
- Projects adhere to the County's local hire provisions.
- Projects that propose or implement a local preference will not be eligible for funding. An exception to this prohibition may be made for a supportive housing project in a jurisdiction with its own Continuum of Care, or any project in a jurisdiction with a state-approved local preference program or ordinance.

### **3.4 INELIGIBLE PROJECT TYPES**

Projects must be able to meet all requirements and goals of this NOFA. The following list of ineligible project types is not to be considered all-inclusive and is provided as a guide to projects that will not be considered for assistance through this NOFA:

- Acquisition of land only.
- The new development of SRO projects.
- Projects that result in the removal of existing housing units or demolition of existing housing stock, except if this NOFA's replacement requirements are met.
- Projects that propose to fund commercial tenant improvements as part of the housing project budget, or if the proposed commercial project is unfunded.

### **3.5 ELIGIBLE USES OF CAPITAL FUNDS**

Capital funds awarded under this NOFA may be used for the following expenses:

- Reimbursement for acquisition of land and improvements in conjunction with an eligible project. Acquisition costs shall not exceed fair market value, as determined by an appraisal. Any acquisition priced above fair market value will not be eligible for inclusion in the project budget.
- Costs in conformance with the LACDA's Underwriting Guidelines.
- Project predevelopment, construction, and permanent financing.

### **3.6 INELIGIBLE USES OF CAPITAL FUNDS**

Capital funds awarded under this NOFA shall not be used for the following expenses or activities:

- Substitution of any committed project financing source.
- Costs associated with units not funded by LACDA.
- Commercial space or tenant improvements.
- Payment of invoices or expenses (during construction period) that are greater than four (4) months old at the time of submission.
- Reimbursement for project costs that have been paid by another project funding source.
- Capitalized reserves.
- Refinancing permanent debt on existing developments, or recapitalizations of any kind unless the project is within five (5) years of the termination of an affordability covenant.
- Travel expenses, food, or meals of any kind.
- Application fees for other project financing.
- Office expenses.
- Costs that would normally be paid by the Limited Partnership.
- Fees associated with the LACDA NOFA, including Monitoring Fees.
- Reimbursable fees.

### **3.7 ADDITIONAL APPLICATION ELIGIBILITY REQUIREMENTS**

In addition to meeting basic threshold and applicant eligibility requirements, projects must be financially feasible, maintain a positive cash flow for 20 years, and demonstrate compliance with the minimum requirements for supportive service plans and architectural design.

All applicants must demonstrate that the project may be legally developed at the proposed site.

Eligible applicants may not have more than five (5) LACDA-funded projects in any development phase (predevelopment, construction, or perm conversion). LACDA, in its sole discretion, may waive this requirement after reviewing development team capacity.

By the date identified in the NOFA Timeline, all applicants must submit a Real Estate Owned (REO) Schedule, which will be used as a Threshold qualitative screening of applicant portfolios, based on project operational and financial status.

Applicants must show that at least 60% of projects in their Supportive Housing or Special Needs portfolio (consisting of projects where PBVs are used to support a resident that would qualify under LACDA's Special Needs categories) are generating positive cash flow, abatement or code violations are efficiently and effectively corrected, and housing retention is maintained. Additionally, at least 70% of the applicants' affordable housing portfolio (consisting of projects that are affordable, but do not have PBVs supporting rental income) must show positive cash flow, that any code violations are efficiently and effectively corrected, and housing retention is maintained.

If an applicant cannot fully meet the qualifying criteria, a narrative of reasonable length that provides mitigating information may be submitted with the REO Schedule. LACDA, in its sole discretion, may accept the mitigating information that would allow for an application to be submitted.

### **3.7.1 TIMING OF USE OF FUNDS**

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 closing must then occur within 12 months of this subsequent application.

### **3.7.2 RESERVED**

### **3.7.3 SITE CONTROL**

At the time of application, an applicant must demonstrate that it has site control, as defined by current CTCAC Regulations. At a minimum, site control must extend through the expected timeline for award of NOFA funds. An Agreement to Negotiate Exclusively/Exclusive Right to Negotiate with a public agency is acceptable site control for this NOFA.

### **3.7.4 COMPLIANCE WITH PROGRAMS**

Applicants must be in compliance with all LACDA fiscal and programmatic requirements, all regulatory agreements with the LACDA, and the requirements of other governmental entities or permitting agencies, including any and all laws, statutes, ordinances, codes,

rules, regulations, directives, writs, injunctions, orders, decrees, rulings, or conditions of approval.

If any of the applicant's existing projects are not in compliance with the LACDA's fiscal and programmatic requirements, the project will not be considered for funding, and an applicant may have any existing commitments rescinded. "Applicant's existing projects" include projects in which any member of the applicant's ownership entity has an interest. Additionally, the LACDA may, in its sole discretion, reject applicants based on past performance.

### **3.8 SUPPORTIVE SERVICES PLAN**

All applicants must prepare a Supportive Services Plan that is appropriate for the project's population(s), as described in the Supportive Services Criteria Supplemental Document that is part of this NOFA. Projects with more than one target population must address the supportive services needs of all tenants.

Supportive services for homeless tenants of Permanent Supportive Housing (PSH) units are funded by the County of Los Angeles, through DHS's Intensive Case Management Services (ICMS), the Department of Mental Health's (DMH) Housing Supportive Services Program (HSSP), and the Department of Public Health's (DPH) Substance Abuse Prevention and Control (SAPC) Client Engagement and Navigation Services (CENS).

Projects seeking to serve eligible homeless Special Needs populations must utilize a Lead Service Provider that is either a DHS-approved ICMS provider with an active work order or has begun DHS's [Request for Statement of Qualifications for Supportive Housing Services](#) process. Contact Nicole Soto at DHS for more information: [nmsoto@dhs.lacounty.gov](mailto:nmsoto@dhs.lacounty.gov).

It is highly recommended that the project sponsor contracts with an established Lead Service Provider early in the development process. The Lead Service Provider for the homeless special needs units will be funded directly by DHS for service provision to tenants at a rate of \$517.50/door/month for individuals and \$690/door/month for families. The Lead Service Provider may be the applicant's own personnel or a third-party contractor. Applicants may use either the same entity or separate entities to serve as the Lead Service Providers for the Special Needs and general affordable units. Only one Lead Service Provider may be used for Special Needs populations.

Services should also be provided to tenants of the non-PSH (General Affordable) units and those residents that are not covered by County-funded services. This should include a residential services coordinator funded through project cash flow who will provide social and recreational activities for all tenants in both the PSH and non-PSH units. The Supportive Services Plan must provide details of how social and recreational activities will promote a sense of community. All supportive services must be flexible, voluntary, and individualized.

The Supportive Services Plan is described in more detail in the Supportive Services Criteria Supplemental Document and will not be scored but will be evaluated for

completeness and inclusion of required elements and quality. Supportive services will be evaluated on a pass/fail basis. If the funds are awarded, projects may receive a Final Conditions List that will detail areas in the Supportive Services Plan that must be revised prior to the release of any loan funds. To guarantee the fulfillment of the required Supportive Services Criteria, LACDA may withhold loan funds until all identified conditions are addressed to the reasonable satisfaction of staff.

### **3.9 ARCHITECTURAL DESIGN REQUIREMENTS**

All projects must meet minimum building code requirements, construction standards and the LACDA's Architectural Design Requirements, provided as a Supplemental Document. Design is not scored, however, all required threshold application submittals described in the LACDA's Architectural Design Requirements document must be included in the application to pass the Threshold Review. The LACDA must be notified of and approve all changes to the lead architect after initial project review and evaluation, and any replacement architect must meet NOFA requirements. Project sponsors must use contracts produced by the American Institute of Architects (AIA) for architectural services.

## **4 LOAN TERMS**

### **4.1 TERMS AND TERM OF COMMITMENT**

Funding awarded under this NOFA is reserved for 12 months, following the funding recommendation issued by the LACDA.

#### **4.1.1 CAPITAL FUND LOAN TERMS**

All capital funds will be made available as a loan under the following terms:

- **Interest Rate:** 3% simple annual.
- **Term:** 55 years from the date of the Certificate of Occupancy.
- **Repayment:** Annual payments based on 50% of residual receipts, as defined in the loan agreement. When other public funding is involved, the LACDA will share its distribution of residual receipts with other public lenders on a pro rata basis.
- **Collateral:** Deed of Trust secured by the land, or leasehold interest and improvements.

The LACDA may include in project financing multiple funding sources but will consider these sources to be one loan amount. The LACDA will base loan priority decisions on the total sum of the loan.

### **4.2 RELEASE OF FUNDS**

The LACDA will generally make capital funds available for disbursement on a draw-down or reimbursement basis, upon closing of the loan and commencement of construction. Disbursement of funds for payment of hard costs during construction will be on a draw-down basis. Disbursement of funds for payment of soft costs during construction will be

on a reimbursement basis and requires evidence of prior payment of each soft cost before payment is released.

### **4.3 LACDA FEES**

#### **4.3.1 GOOD FAITH DEPOSIT AND LONG-TERM COMPLIANCE MONITORING**

Within 60 days of notification of an award, all applicants must pay a non-refundable good faith deposit of \$7,512. During operations, the LACDA will collect an annual compliance-monitoring payment for each project in the amount of \$7,512 with a 2.5% annual escalation, to be paid from project cash flow. The good faith deposit will be credited towards the first year's monitoring cost.

#### **4.3.2 TAX-EXEMPT BONDS**

If tax-exempt bond financing is contemplated for a project within the Unincorporated County area, or in an incorporated city that does not have authority to issue bonds, the conduit issuer must be the LACDA (on behalf of the County of Los Angeles). If a project is located within an incorporated city that (a) is providing financing for the project, and (b) is a conduit issuer of mortgage revenue bonds, that city may be the conduit issuer.

When the LACDA is the bond issuer, applications to the California Debt Limit Allocation Committee (CDLAC) will be reviewed by staff prior to submittal, and an initial LACDA application fee of \$5,000 will be assessed each time an application is processed. Additionally, an annual bond administrative fee will be collected by LACDA. Project Sponsors must pay all costs of issuance at bond closing, including, but not limited to, bond counsel, county counsel, underwriter, trustee and financial advisor fees, as well as rating agency fees. Any deposits will be credited toward the cost of issuance at closing.

The initial issuer fee of 25 basis points (0.25%) on the bond amount and the first year of the annual administrative fee (the greater of either 12.5 basis points (0.125%) of the outstanding bond amount or \$6,000) are both paid at bond closing. Project Sponsors will also pay an annual administrative fee to LACDA equal to the greater of either 12.5 basis points (0.125%) of the outstanding bond amount or \$6,000, for the project period to cover the LACDA's ongoing administration and monitoring costs for the project.

In summary, bond fees include the following:

- Application – \$5,000 (paid per CDLAC application)
- Issuer – 0.25 x total bond amount (one time, paid at bond closing)
- Annual – Greater of either 12.5 basis points (0.125%) of the outstanding bond amount or \$6,000 (annual fee over the 55-year compliance period)

At least 90 days before CDLAC application due date, Project Sponsors shall notify LACDA Bond staff of the intent to submit an application to CDLAC.

For further information, questions related to the LACDA's bond processes should be sent to [mfbonds@lacda.org](mailto:mfbonds@lacda.org).

### **4.3.3 MATERIAL CHANGE**

The LACDA must receive written notice of any material changes that are made to the project after application submittal. Material changes include but are not limited to changes or alterations regarding architectural design, property management, target populations to be served, unit size, development team, Lead Developer or joint developer structure, ownership, financing structure, supportive services, cash flow, operating subsidies, or changes in development budget line items that show an increase that exceeds 10%. Changes made or proposed to scored items will result in applications being re-scored and then evaluated relative to other applications and may change funding decisions, including rescinding committed funds in favor of another project. A secondary Environmental Review of the project scope may be required depending on the proposed material change. Applicants must request and receive LACDA's written approval for any material changes. If the applicant undertakes material changes without approval, the LACDA reserves the right, in its sole discretion, to withdraw or rescind any funding commitment.

When a material change is made after application evaluation, an administrative fee of \$5,000 is due and payable to the LACDA upon submittal of the material change notification to the LACDA. This administrative fee covers the costs related to LACDA's review of the proposed project. If costs exceed the \$5,000 administrative fee, the balance owed must be paid upon written notification from the LACDA. Any remaining funds will be used for administration costs for the continued review and administration of the proposed project.

### **4.3.4 CHANGES TO STANDARD LOAN DOCUMENTS**

The LACDA strictly limits changes to the standard loan agreement and related documents. Only the sections identified in the "No Changes" letter, which accompanies the initial draft loan documents, may be negotiated and modified. Submission of an application assumes the applicant agrees to the standard loan terms and conditions. Applicants may request a copy of the standard loan documents from LACDA.

The LACDA does not have authority to agree to pay attorneys' fees and expenses and will not incorporate any language regarding this matter in the loan documents.

If modifications to the loan documents are requested, a non-refundable deposit of \$5,000 will be due upon written notification to the LACDA of the requested modification. The applicant will be charged all costs incurred by the LACDA. If the costs exceed \$5,000, the balance owed must be paid prior to the execution of the loan agreement.

If changes and modifications are requested in the loan documents, the LACDA reserves the right to require additional documents, actions, and any other information from applicants and related parties in order to evaluate the requested changes, including but not limited to, legal opinions from applicants' attorneys covering such topics as the LACDA considers appropriate, such as an opinion that each change requested does not affect the validity or enforceability of the loan documents by the LACDA or the rights of the LACDA to realize on the collateral, guaranties, and indemnities given in connection with the loan documents.

Applicants are advised that requests for changes and modifications to the standard loan documents may be circulated to third parties for review and input, which may extend the review time and completion of loan documents.

The LACDA is transitioning to loan documents that will not allow for any changes beyond project specific information. Applicants and awardees will be notified upon implementation.

## **5 SCORING AND EVALUATION CRITERIA**

Applications will be reviewed in two stages: 1) Threshold Review and 2) Technical Scoring and evaluation.

Applications that pass Threshold Review will be scored as identified in this section. Only projects that meet or exceed minimum development team experience will be eligible for funding consideration. Projects must score a minimum of 522 points to be considered for funding. At the sole discretion of the LACDA, projects below the scoring minimum may be considered for funding, if funds are available after final recommendations, the project is feasible, the development team is qualified, and County/LACDA housing criteria are met.

Available funding will be evenly allocated across the County's five (5) Supervisorial Districts, although the final project funding awards may differ from this even distribution method. Applications will be sorted by Supervisorial District and scoring will then be used to determine the order of project awards within each District. Once all selected projects are fully funded, any remaining funds will be pooled and may be offered to the next-highest overall scoring project, regardless of District.

Unless there are no other available projects to fund, an applicant cannot be awarded funding for more than two projects through this NOFA, regardless of scoring. Despite project scoring, LACDA reserves the right to remove a project from funding consideration if the per unit cost exceeds 125% of the average costs shown in other applications, or if the LACDA in its sole discretion, determines that project costs do not meet acceptable cost profiles. Furthermore, if project costs rise significantly (15% or greater) between project award and construction loan closing, the LACDA may rescind the project award.

In the event that there are insufficient funds to support all applications and project scoring, and evaluation cannot differentiate between the final two projects, a funding recommendation will be based on the project that scores the highest in meeting County funding priorities. If the projects are still tied, the final tiebreaker will be based on the greater number of project units.

<b>APPLICATION SCORING SUMMARY (MORE DETAIL FOUND IN SECTIONS 5.1 – 5.6)</b>		
<b>Category</b>	<b>Max. Points</b>	<b>Scoring</b>
<b>Financing</b>		
Committed Permanent Public Funds	60	Three (3) points will be awarded for every one percent (1%) of total development cost financed with committed public funds, up to a maximum of 60 points.
<b>Development Team</b>		
Developer Experience or Supportive Housing Developer Experience	60	See Section 5.2. for point allocations.
Emerging Developer Partner	50	
Managing GP Experience	75	
Architect Experience	50	
<b>Geography</b>		
Unincorporated Los Angeles County projects and projects developed on County-owned land, or part of a County project, <b>or</b>	150, <b>or</b>	
Incorporated jurisdictions outside of the City of Los Angeles.	75	
<b>Readiness</b>		
Excluding this current NOFA, all other project funding is committed (does not include LIHTC).	100	These NOFA funds and/or tax credits are the only funding needed.
Entitlements for project are complete, or project can be developed by-right and can begin construction within 12 months of the date of funding recommendation.	75	Evidenced by completed entitlements or by -right development confirmation by the local planning authority.
<b>County Priorities</b>		
The project is recommended by the County's Affordable Housing and Sustainable Communities workgroup, or the project is receiving other financial County support	100	County support does not include prior NOFA funding or general letters of support.
The project is located in a high or highest resource area.	100	See NOFA 32 map Highest/High Resource Area Map
<b>Bonus Points</b>		
Unit Types	50	Less than 10% of the total units are studios
<b>MAXIMUM APPLICATION POINTS</b>	<b>870</b>	

## **5.1 FINANCING**

### **5.1.1 COMMITTED PERMANENT PUBLIC FUNDS**

- Projects located in Unincorporated Los Angeles County, that include County-owned land, or that are part of a County project, will automatically receive full points in this section.
- Points will be awarded based on non-LACDA permanent public funds committed to the project. Funding will be considered committed if a commitment letter from

the public funding entity identifies that no discretionary actions remain for funding approval.

- Three (3) points will be awarded for every one percent (1%) of total development cost financed with committed public funds, up to a maximum of 60 points. For example, where non-LACDA public funds equal 10% of total development cost, the project would receive 30 points.

## **5.2 DEVELOPMENT TEAM**

Eligible applicants include nonprofit and for-profit organizations, limited liability companies, limited partnerships, public agencies, local jurisdictions, community land trusts, and joint ventures among these entities.

All applicants must at a minimum include the following team members and meet the following minimum criteria. If team members do not meet the minimum criteria, the project will not be eligible under this NOFA.

### **5.2.1 DEVELOPER EXPERIENCE**

The applicant team must include a Lead Developer with adequate financial capacity and a successful track record of developing projects in California serving similar tenant populations and of similar scale as the proposed project. The Lead Developer must have completed (secured Certificate of Occupancy/Completion) a minimum of three (3) affordable multifamily rental housing projects in the last 12 years and meet experience requirements listed in this NOFA.

Points will be awarded based on the experience of either the Lead or Joint Developer, if applicable, with affordable, rent-restricted, and Special Needs projects. Qualifying projects must be in operation for over three (3) years and located in California. If an applicant seeks points for projects previously owned by the Developer, the ending date of ownership or participation in the project must be no more than five (5) years from the NOFA application deadline. Points are awarded as follows:

- 3-6 projects in service more than 3 years = 30 points
- 7 or more projects in service more than 3 years = 60 points

Qualifying projects must be affordable, mixed-population, or Special Needs multifamily rental developments greater than 10 units in size and subject to a recorded regulatory agreement. The Lead or Joint Developer entity that receives experience points must be identified in the NOFA application. Points will be awarded based on the information provided in the Developer Experience Chart in the Project Information Workbook. Applicants must use sponsor or developer names and shall not use a partnership name, or other designations in the application materials.

### **5.2.2 SUPPORTIVE HOUSING DEVELOPERS AND PBV ELIGIBILITY**

As LACDA reaches the statutory limit to project-based Section 8 rental assistance, it is essential that this scarce resource is placed in projects developed and operated by supportive housing developers that demonstrate a history of success. To that end, applicants seeking PBVs through this NOFA must meet the following eligibility criteria:

- Own, operate, and maintain at least 500 units or seven (7) projects of supportive housing in California that serve qualifying Special Needs populations.
- Have developed and placed in service at least seven (7) supportive housing projects, three (3) of which must be located in Los Angeles County.
  - These NOFA-qualifying projects must be at least 25 units in size, serve qualifying Special Needs populations, and be subject to a recorded regulatory agreement.
- Applicants must provide the last three (3) years of audited financial statements for at least seven (7) supportive housing projects totaling at least 500 units and that have been in operation for at least three (3) full years as of the NOFA application submission date. The audited financials must show positive cash flow and the ability of project income to pay operating expenses.
  - The applicant must provide evidence of resident housing retention and stability of at least 90% for at least five (5) of the NOFA-qualifying projects. This is measured by the percentage of residents who maintain their lease for more than two (2) years.
- Applicants must disclose any Section 8 abatement actions taken by Public Housing Authorities, or notices of code violations of any kind received in past 24 months and provide evidence of responsive corrective actions.

Applicants must list their projects on the Supportive Housing Developer Experience chart in the Project Information Workbook. If the Supportive Housing Developer meets the eligibility criteria above, the applicant will receive 60 points for Supportive Housing Developer.

The criteria in this Supportive Housing Developers and PBV Eligibility section establishes the minimum standards that allow for an application for PBVs, however, submitted information will also be qualitatively evaluated for eligibility based on the operational and financial status of the applicant's portfolio. Applicants must show that at least 60% of the projects in their portfolio are generating positive cash flow, abatement or code violations are efficiently and effectively corrected, and housing retention is maintained.

If an applicant cannot fully meet the qualifying criteria due to special conditions or circumstances, a narrative of reasonable length that provides mitigating information may be submitted with the NOFA application. LACDA, in its sole discretion, may accept the mitigating information as a reasonable substitute for the qualifying criteria.

LACDA will also consider each applicant's past PBV applications, particularly how closely project completion and unit occupancy projections in an application matched actual completion and occupancy dates. A history of missing expected completion or lease-up target dates, without good cause, may be a reason for denial.

### **5.2.3 EMERGING DEVELOPER PARTNERSHIP AND EXPERIENCE**

Development Teams that partner with an Emerging Developer are eligible for this scoring category. The experience of an Emerging Developer cannot be used to augment the experience of the Lead Developer.

An Emerging Developer is an entity that has developed, owned, and/or operated no more than two (2) rental housing developments in its history. Development entities that are associated with the Lead Developer do not meet this criterion and an Emerging Developer cannot share any individuals in their leadership as the Lead Developer. The Emerging Developer must be an unaffiliated, third-party organization.

If the development team project includes an eligible Emerging Developer, the application will receive 50 points.

### **5.2.4 MANAGING GENERAL PARTNER EXPERIENCE**

Qualifying projects attributed to Managing General Partner experience must be in operation for over three (3) years. If an applicant seeks points for projects previously owned by a Managing General Partner, the ending date of ownership or participation in the project must be no more than 10 years prior to the application deadline. Points will be awarded based on experience with affordable, rent-restricted projects, as follows:

- 3 projects in service more than 3 years = 65 points
- 4 or more projects in service more than 3 years = 75 points

Qualifying projects must be affordable multifamily rental developments greater than 25 units in size and subject to a recorded regulatory agreement. To qualify, a project must restrict at least 10% of the units to a Special Needs or affordable population, with the restriction reflected in a recorded regulatory agreement.

### **5.2.5 ARCHITECT EXPERIENCE**

The project's architect (an individual) must be licensed in the State of California and must have completed at least two (2) affordable multifamily rental housing projects, or one (1) LACDA-funded affordable multifamily rental housing project, of the project type currently being proposed (new construction or rehabilitation). To qualify, projects must be multifamily rental affordable housing developments of over 10 units that are subject to a recorded regulatory agreement. Experience points will only be awarded for projects of the type proposed. For example, if a proposed project is new construction, only new construction projects may be used to evidence experience.

Points will be awarded based on the experience of the Architect or the Architect firm with affordable, rent-restricted projects of the type proposed in the application where they served as the architect of record, as follows:

- 2-4 projects = 30 points
- 5-9 projects = 40 points
- 10 or more projects = 50 points

### **5.2.6 PROPERTY MANAGEMENT EXPERIENCE**

Property management experience will not be scored but will be evaluated on a threshold basis. To meet the threshold requirement, the property management entity must have experience in managing at least two (2) projects with similar tenant populations and similar scale as the proposed project. The Property Manager may be the applicant's own personnel, or a third-party contractor.

If the Lead Developer would like to serve as the Property Manager but lacks sufficient experience to qualify, the applicant may submit a plan on how they will get experience and/or training within one (1) year of award to serve as the qualified Property Manager. If sufficient evidence is not provided, a property manager acceptable to LACDA must be identified and contracted to provide services to the project.

### **5.3 GEOGRAPHY**

Projects will be awarded points based on the location of the property, as follows:

- Projects that are located in unincorporated Los Angeles County, developed on County-owned land (regardless of jurisdiction), or that are part of a County project, as determined by LACDA, will be awarded 100 points.
- Projects located in incorporated jurisdictions outside of the City of Los Angeles will be awarded 50 points.

### **5.4 READINESS**

For the purposes of this NOFA, the readiness category weighs the ability of the project to provide evidence that following a NOFA award, the project can move swiftly to construction based on overall project financing and local entitlements. Scoring will be completed as follows:

- After an award of funds from this NOFA, all other project funding is committed. This category excludes low-income housing tax credit financing. Projects meeting this criterion will receive 100 points.
- Entitlements for a project are complete or the project can be developed by-right, and construction will begin within one year of the date of funding recommendation. Projects meeting one of these criteria will receive 75 points, based on evidence provided by the project's local planning authority.

### **5.5 COUNTY PRIORITIES**

Projects will be awarded points based on meeting County housing priorities, as follows:

- Projects that are referred to LACDA by the County's Affordable Housing and Sustainable Communities (AHSC) workgroup, or projects that receive land and/or capital funding from a Los Angeles County agency for the development under consideration will be awarded 100 points. LACDA will confirm the selected projects with the AHSC workgroup.
- Projects located in high or highest resource areas will be awarded 75 points or 100 points, respectively. Resource areas are based on Opportunity Area Maps developed by CTCAC/California State Department of Housing and Community Development.

## 5.6 BONUS POINTS

- Unit types – If the proposed Project includes studio units totaling less than 10% of all units, the project will receive 50 points.

## 6 UNDERWRITING

### 6.1 FINANCIAL FEASIBILITY

Proposed projects must demonstrate financial feasibility for both construction and operations. The LACDA's underwriting guidelines are included in this NOFA as a Supplemental Document and will be used as a means of project evaluation. Projects proposing commercial space on the ground floor must have a viable leasing option, such as a letter of interest or commitment from a business. For projects that contain commercial components, the sources and uses of funds contained in the NOFA application must contain detailed line items and apportioned amounts for commercial components that are separate from residential components and shall not include tenant improvement costs. The income from the residential portion of the project shall not be used to support the commercial portion and the commercial income shall not support the residential portion of the project. Applicants must provide an analysis of the anticipated commercial income and expenses.

Projects must use reasonable assumptions for tax credit pricing in the Los Angeles County market. LACDA will not approve a project based on assumptions that are unreasonable or inconsistent with industry standards.

### 6.2 MINIMUM OPERATING EXPENSES

Projects must assume no less than the identified minimum operating expenses. LACDA will accept operating expenses below these minimums if justified with audited financial statements for the last three (3) years for two (2) comparable properties currently owned and operated by the applicant. The properties must be similar in size, type, tenant population, and location to the proposed project. LACDA reserves the right to request additional operating expense documentation during the underwriting phase. Projects that involve more than one (1) tenant population may assume a pro rata blended operating expense based on the LACDA's minimums.

Project Size	Special Needs (100%)	General Affordable (100%)	Mixed Population
Up to 60 units	\$12,500	\$11,000	\$12,000
61+ units	\$12,000	\$9,000	\$11,500

LACDA's operating expenses include property taxes but exclude the following:

- 1) Replacement/operating reserve deposits
- 2) Debt service
- 3) Supportive services

- 4) Partnership management fee
- 5) Asset management fee
- 6) Deferred developer fee

### **6.3 PARTNERSHIP AND ASSET MANAGEMENT FEE**

An annual Partnership and Asset Management Fee of up to \$40,000, in aggregate, may be paid from project cash flow, prior to residual receipts payments. The fees cannot include charges for any office overhead for the development of the project or project operating expenses. Fees owed to the tax credit investor within a limited partnership are exclusively payable during the tax credit compliance period. Reallocation of these fees is strictly prohibited; however, the payment period may be extended in connection with a resyndication event. Payments above this limit may be made from the borrower's portion of residual receipts. No annual escalations are permitted, and unpaid Partnership and Asset Management Fees cannot be accrued.

### **6.4 RESERVED**

### **6.5 FURNISHINGS FOR UNITS RESTRICTED TO HOMELESS POPULATIONS**

Projects that propose to serve homeless populations must include in the proposed development budget costs to furnish all such units. At a minimum the project shall provide a bed and dresser in each bedroom, a dining table with chairs, and a lamp.

### **6.6 ONSITE MANAGER**

At a minimum, one (1) on-site manager is required for all projects. The on-site manager must be full-time and reside at the project.

## **7 ADMINISTRATIVE PROVISIONS**

### **7.1 GENERAL LACDA REQUIREMENTS**

All projects receiving funding and/or PBVs under this NOFA must adhere to the General LACDA Requirements, which are made part of this NOFA as a Supplemental Document.

### **7.2 LACDA'S RIGHTS AND RESPONSIBILITIES**

The LACDA reserves the right to change or otherwise modify the requirements and policies described in this NOFA and is responsible only for that which is expressly stated in the NOFA documents, any authorized written addenda, and any posted Questions and Answers. Any addenda shall be made available to each person or organization via the LACDA's UNOFA application website. It is the responsibility of applicants to ensure, prior to submission, that their application reflects the most recent addenda information, program requirements, and policies. By submission of an application, each applicant acknowledges receipt of all addenda, if any. The LACDA is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf if those representations conflict with NOFA requirements or policies.

### **7.3 LACDA'S DISCRETION**

The LACDA reserves the right to disqualify any application that is incomplete, out of order, lacks required attachments, or contains other content errors, inconsistencies, misrepresented information, or other deficiencies. Forms provided in the NOFA application must be used and information provided otherwise may be disregarded at the LACDA's discretion. The LACDA reserves the right to waive disparities in a proposal if the sum and substance of the application is present. Furthermore, the LACDA reserves the right to terminate this NOFA at any time without prior notice.

### **7.4 COST OF APPLICATION PREPARATION**

The cost of application preparation shall be borne by the applicant. In no event shall the LACDA be liable for any expenses incurred in the preparation and submission of the application.

### **7.5 APPLICATION IS PROPERTY OF THE LACDA**

Once submitted, each application becomes the property of the LACDA and becomes a public record. The LACDA is not liable for the disclosure of any information contained in an application. Any information that applicants do not wish to disclose to the public must be clearly marked "confidential." Applicants may not use a blanket statement of confidentiality or mark every page of the application as confidential. Applicants must specifically label only those portions of the application that are confidential in nature and notify the LACDA that confidential information is included.

### **7.6 OTHER FUNDING APPLICATIONS BY NOFA APPLICANTS**

The LACDA reserves the right to request any funding applications submitted by NOFA applicants to other funding sources. Funding applications include all such requests for financing associated with the proposed project. Failure to provide such information upon request may result in disqualification or loss of funding.

### **7.7 NONCOMPLIANT/DEBARRED CONTRACTORS**

Applications may be withheld from funding consideration in the event that the applicant (or any of its principals, or partners) is currently in arrears or delinquent in payment of debt to the LACDA, deemed to be noncompliant with the requirements of any agreement with the LACDA, or included on any County of Los Angeles, HUD, or other public agency's debarment list.

### **7.8 INSURANCE REQUIREMENTS**

Applicants must document that they maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the work by the applicant, its agents, representatives, employees, or subcontractors. Insurance is required for all General Partner entities and all insurance (including all applicable endorsements) is required to be final and approved by the LACDA prior to any loan funding. The LACDA's Insurance Requirements are made part of this NOFA as a Supplemental Document and may change from time to time.

## **7.9 PET-FRIENDLY HOUSING ORDINANCE**

The County of Los Angeles [Pet-Friendly Housing Ordinance](#) authorizes tenants to have at least one pet in a rental unit in new or rehabilitated multifamily housing developments financed, in whole or in part, by the County and/or the LACDA on or after February 6, 2020, consistent with all federal and State laws and further requires landlords to maintain and provide a copy of pet policies to tenants. Projects funded through this NOFA are required to adhere to this ordinance.

## **7.10 SECTION 3**

Projects receiving an award of HOME funds must comply with HUD's Section 3 requirements. The purpose of Section 3 is to ensure that employment, training, contracting, and other economic opportunities generated by financial assistance from HUD shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons. Applicants using HOME funds must provide a written strategy demonstrating understanding of the Section 3 requirements and detailing how they will ensure that, when employment or contracting opportunities are generated because the project or activity necessitates the employment of additional persons or the award of contracts for work, preference shall be given to low- and very low-income persons or business concerns in the neighborhood. "Neighborhood" is defined in 24 CFR Part 92, Subpart A as "a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government."

## **7.11 PREVAILING WAGES**

### **7.11.1 STATE PREVAILING WAGES**

Payment of State Prevailing Wages is assumed, unless an attorney's opinion is submitted as part of the NOFA application stating that the project is exempt from the payment of State Prevailing Wages.

### **7.11.2 DAVIS-BACON FEDERAL WAGES**

The Davis-Bacon Act of 1931, as amended, requires payment of Davis-Bacon Wages in projects with 12 or more HOME-assisted units, or in projects receiving nine (9) or more PBVs. In addition, contractors for such projects are required to file payroll reports and to meet other administrative and labor standards requirements.

## **7.12 GENERAL CONTRACTOR SELECTION AND CONSTRUCTION CONTRACTS**

When seeking a General Contractor, applicants must solicit a minimum of three (3) bids for comparison of pricing and services offered. General Contractors working on funded projects must use a Guaranteed Maximum Price Contract (GMAX) wherein the basis for payment is the cost of the work plus a fee. The construction contract shall include an overall cost limitation acceptable under LACDA's underwriting criteria. All construction contracts shall clearly state that the sharing of cost savings above and beyond the

maximum General Conditions, Overhead and Profit allowed by LACDA's underwriting criteria is prohibited.

Construction contracts shall not include costs associated with tenant improvements for commercial space associated with the project. Project budgets shall not include tenant improvement costs and project funds (regardless of source) shall not be used for commercial tenant improvement costs.

### **7.13 CONSTRUCTION SIGNAGE**

Projects receiving funding through this NOFA must acknowledge this assistance with signage at the site. Construction signage must be approved by the LACDA prior to placement at the project site. If any financial assistance from HUD is included in any project, the construction sign must also acknowledge this HUD assistance.

### **7.14 FAIR HOUSING, ACCESSIBILITY REQUIREMENTS, MARKETING, AND LEASE-UP**

All projects receiving funding under this NOFA must adhere to the LACDA's Fair Housing and Accessibility Requirements included as a Supplemental Document with this NOFA. All projects must be constructed and maintained in accordance with all applicable accessibility standards. Special Needs units must be distributed throughout the project and cannot be aggregated on certain floors or set aside only in specified areas of a building.

Projects that propose or implement local preferences will not be eligible for funding. An exception to this prohibition may be made for a supportive housing project in a jurisdiction with its own Continuum of Care, or any project in a jurisdiction with a state-approved local preference program or ordinance.

### **7.15 COUNTY PLANNING DENSITY BONUS PROGRAM**

The LACDA will issue density bonus covenants for Unincorporated Los Angeles projects that have received a density bonus through Los Angeles County Planning. Without exception, the density bonus covenant and agreement issued by the LACDA will not be subordinated to project financing. Applicants are encouraged to discuss this with other project finance partners early in the project lifecycle.

### **7.16 WITHHOLDING OF FUNDS UNTIL PERMANENT FINANCING**

The LACDA will withhold 1.5% of the loan amount, up to a maximum of \$100,000, until conversion to permanent financing is complete. Any withheld loan amount will only be released upon full satisfaction of all Permanent Financing Conditions, as identified in the LACDA's loan agreement.

### **7.17 COMPLIANCE WITH ALL CONDITIONS PRIOR TO LOAN CLOSING**

All requirements and conditions set forth in this NOFA and the loan documents must be satisfied, as determined by the LACDA, in its sole discretion, prior to disbursement of any loan funds. Applicants will be required to address all deficiencies identified during the application scoring process and/or underwriting prior to release of loan funds. The

LACDA may withhold all or part of its loan funds until all deficiencies are addressed, to the reasonable satisfaction of staff. Applicants will also be required to address all conditions of funding, if any are identified by the LACDA's Loan Committee.

The applicant represents and warrants that all materials and information provided in connection with this NOFA are true and correct at all times, from the date of submission to the LACDA and throughout the award process, loan closing, and term of the loan. By way of example, but not by limitation, some of the conditions, representations, or warranties that must be at all times true include:

- Applicant must be in good standing and have the authority and organizational power to enter into the documents, agreements, and certifications related to the NOFA and any resulting loan.
- Applicant and its partners, principals, or affiliates must not be or include any persons or companies who are in non-compliance with the requirements of any agreement with the LACDA or be listed on any County of Los Angeles or HUD debarment lists.
- Applicant and its partners, principals or affiliates cannot be in default or in violation of any of its obligations under the NOFA, or any loan documents, contracts, agreements, court orders or laws, and submitting for the NOFA and providing the information and entering into the agreements contemplated by the NOFA will not cause a default or violation.
- Applicant's financial condition shall not have declined to the point of insolvency.
- There shall be no change in the ownership, management, or control (direct or indirect) of applicant, which is not promptly disclosed to and approved by the LACDA.
- Applicant and its partners, principals, or affiliates shall not be subject to any binding, agreement, suit, order, or law which would be violated if applicant proceeds with the transactions contemplated by the NOFA, or the loan documents.
- There shall be no discovery of any preexisting event or circumstances and there shall be no material adverse change in the condition or suitability of the project site, the feasibility of the project, completion date, or the cost of the project that is not promptly disclosed to and approved by the LACDA.
- Applicant and its partners, principals or affiliates shall not be subject to any litigation, suit, arbitration, or administrative proceeding that may adversely affect the ability of applicant to perform any of its obligations under or contemplated by the NOFA.
- Once met, the project shall continue to meet all requirements of this NOFA.

## **7.18 EVENTS OF DEFAULT**

Under the terms of the documents for any loan made pursuant to this NOFA, the following events may cause the LACDA to declare the applicant in default:

- Unfunded project or operating cost overruns.
- Breach of covenants, including affordability requirements.
- Failure to maintain the property.
- Failure to make loan payments.
- Failure to meet all accessibility requirements.

- Failure to submit audited financial statements by a certified public accountant and the borrower.
- Failure to abide by prevailing wage requirements (as applicable).
- Failure to maintain appropriate insurance coverage.
- Failure to reasonably abide by project and/or construction schedules.
- Bankruptcy, dissolution, or insolvency of the borrower or general partner of borrower's partnership.
- Appointment of a receiver or trustee or general assignment for the benefit of creditors.

This list is representative and not all-inclusive.

## **7.19 LOCAL AND TARGETED WORKER HIRING PROGRAM**

All projects must utilize best efforts to achieve the Local Resident hire goal of 30 percent of total California construction labor hours and a Targeted Worker hire goal of 10 percent of total California construction labor hours. Hours worked by a Targeted Worker who is also a Local Resident may be applied towards the 30 percent Local Resident hire goal.

The Contractor shall ensure posting a wide array of its construction job advertisements and/or seeking the assistance of a community service provider organization, if necessary, to ensure the best-efforts hiring requirement provided for Local Workers is met in accordance with this Policy.

Exceptions for projects in jurisdictions enforcing their own local hiring policy, and for projects with federal or State funding prohibitions on geographic preferences will be determined on a case-by-case basis by the Los Angeles County Chief Executive Office (CEO), in consultation with the County Board of Supervisors Offices and County Counsel, and the exemption shall be stated in the corresponding Board letter.

Affordable housing projects financed with federal funds subject to 24 CFR Part 135 will follow local hiring and training guidelines promulgated through Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain Housing and Urban Development (HUD) financial assistance can be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

### **LOCAL RESIDENT**

Local Resident hiring uses a two-tiered preference system.

A ***Tier I Qualified Local Resident*** is defined as a County resident whose primary residency is:

- 1) Within five (5) miles of the proposed project site; and
- 2) Is within a qualifying Zip Code (see definition below). If a qualifying Zip Code is partially located within the 5-mile radius, then the entire Zip Code is considered as

Tier I Zip Code, and workers living in that entire Zip Code area may qualify as Tier I hire.

A **Tier 2 Qualified Local Resident** is defined as a County resident whose primary residency is:

- 1) Within a qualifying Zip code; and
- 2) That qualifying Zip Code is beyond five (5) miles of the proposed project site.

A **qualifying Zip Code** is defined as a Zip Code within the County of Los Angeles, where either:

- 1) The average percentage of households living below 200 percent of the Federal Poverty Level (FPL) for that individual's primary residency's Zip Code is greater than the County average for such households; or
- 2) The Zip Code is one of 11 additional Zip Codes determined by the Board on October 6, 2011 to be a Zip Code where at least 30 percent of the population is living in poverty, and with an unemployment rate of at least 150 percent of the national average.

A Local Resident is defined as an individual living within the Tier 1 or Tier 2 ZIP Codes of Los Angeles County. Before employing worker(s) from Tier 2 ZIP Codes, the available pool of local residents whose primary place of residence is within Tier 1 ZIP Codes must first be exhausted.

## **TARGETED WORKER**

A **Targeted Worker** is an individual who is both a County resident and who faces one or more of the following barriers to employment:

1. Has a documented annual income at or below 100 percent of the Federal Poverty Level;
2. Has no high school diploma or GED;
3. Has a history of involvement with the criminal justice system;
4. Is experiencing protracted unemployment (receiving unemployment benefits for at least 6 months);
5. Is a current recipient of government cash or food assistance benefits;
6. Is homeless or has been homeless within the last year;
7. Is a custodial single parent;
8. Is a former foster youth;
9. Is a veteran, or is the eligible spouse of a veteran of the United States armed forces, under Section 2(a) of the Jobs for Veterans Act (38 U.S.C.421 5[a]);
10. Is an eligible migrant and seasonal farmworker;
11. Is currently an English language learner;
12. Is an older individual (55+);
13. Is disabled; or
14. Is an individual with a low level of literacy.

## **LOCAL AND TARGETED WORKER PROGRAM REQUIREMENTS**

From time to time, the Local and Targeted Worker Hiring Program may be updated or amended by the Los Angeles County Board of Supervisors and/or Chief Executive Office. Projects are expected to adhere to the Local and Targeted Worker Hiring Program in effect at the time of permitting. Reporting on progress with meeting program requirements will be made monthly and will be a prerequisite to receipt of approval of funds during each construction draw and permanent loan conversion.

The lead developer is required to facilitate the Local and Targeted Worker Hiring Program and must provide evidence of outreach to Local Residents and Targeted Workers and report on hiring activities monthly. The LACDA will condition the approval of construction draws and release of funds at conversion to permanent financing on the submission of monthly reports.

To demonstrate best efforts at achieving the designated hiring goals, the project's lead developer shall provide evidence of outreach efforts that shall include but not be limited to:

- Advertising the project information and Local Resident and Targeted Worker hiring goals, job fairs, and job opportunities via two separate notices in community newspapers prior to the start of construction;
- Conducting outreach to organizations or programs such as:
  - Local Workforce Investment Board and job centers;
  - Area chamber(s) of commerce;
  - Any local community colleges, trade and technical schools, and other employment training programs;
  - Labor organizations if union labor is used; and
  - The local jurisdiction's social services department.
- Conducting at least two job fairs at or near the job site;
- To the extent available, using the lead developer's and general contractor social media outlets and website to advertise the Local and Targeted Worker hiring aspects of the project;
- The following resources may be used to connect contractors to workers meeting the definition of a Local Worker or a Target Worker, should the contractor require assistance. Additional Community Service Providers may be used by contractors and subcontractors to identify local residents and Targeted Workers.
  1. Los Angeles County Workforce Development, Aging, and Community Services: <https://wdacs.lacounty.gov/>
  2. LA Jobs: <https://www.jobsla.org/vosnet/Default.aspx>
  3. Cal Jobs: <https://www.caljobs.ca.gov/vosnet/Default.aspx>
  4. Helmets to Hardhats: <https://helmetstohardhats.org/>
  5. America's Job Center of California: <https://www.ajcc.lacounty.gov/>

As a result of the above outreach, project teams shall develop a list of qualified Local Residents and Targeted Workers and shall draw from this list to the greatest extent possible for job openings that occur throughout the life of the project.

The Local and Targeted Worker Hiring Program does not require the project to hire personnel that are not qualified for available job openings, but instead seeks to provide job opportunities to Local and Targeted Workers to the greatest extent possible.

## **7.20 PUBLIC OUTREACH REQUIREMENTS**

All projects must include public outreach. Projects that will complete public outreach and noticing as part of an entitlement action or other local jurisdictional requirements may use those procedures to meet the intent of this NOFA section. If a local jurisdiction does not require public outreach as part of project approval, or if a project is exempt from a local jurisdiction's public outreach requirements, the conditions of this NOFA section must be implemented.

If applicable, the following public outreach procedures must be initiated by the project Sponsor upon receipt of a funding recommendation by the LACDA:

1. Notices must be sent to all owners of property located within a 500-foot radius of the exterior boundaries of the subject property.
  - a. Notices shall include the following information:
    - i. A general description of the project, including proposed tenant population, and location of the subject property.
    - ii. A statement that the project is recommended for funding by the LACDA and outreach is required as part of the funding activity.
    - iii. A statement that at least one public meeting (in-person) is being held and that any interested person may attend the public meeting to provide comment.
    - iv. A statement that written comments may be submitted to the project Sponsor for a period of at least two weeks following the meeting.
    - v. The phone number, email address, and/or website of the Sponsor, where an interested person can obtain additional information, which shall include at a minimum a site plan, floor plans, building elevations, and a map identifying the location of the proposed project.
  - b. Notices must be mailed at least 30 days prior to the public meeting.
  - c. Notice of the public meeting shall be published once in a newspaper of general circulation available in the community of the proposed project at least 30 days before the meeting date.
2. Evidence of all outreach activities, including a list of contacted property owners, copy of the notice, a log of public comments, and proof that a public meeting was held must be kept on file by the project Sponsor and presented to the LACDA upon request.

## **8 DEFINITIONS**

1. “Application” means a request for funds that will be used for costs associated with Assisted Units that will house an eligible target population.
2. “Assisted Unit” means a residential housing unit that is subject to the rent, occupancy and other restrictions specified in this NOFA as a result of the financial assistance provided by the LACDA, either in the form of capital or rental subsidy.
3. At-Risk of Homelessness means
4. “Coordinated Entry System” or “CES” means a centralized or coordinated process developed pursuant to 24 CFR Section 578.7(a)(8), as that section read on May 1, 2016, designed to coordinate program participant intake, assessment, and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.
5. “Developer” or “Applicant” or “Project Sponsor” means any individual, joint venture, partnership, limited partnership, corporation, cooperative, local public entity, or any combination thereof, certified by the LACDA as qualified to own, manage, and rehabilitate a Multifamily Rental Supportive Housing Development. A Developer or Applicant or Project Sponsor may be organized for profit, limited profit or be nonprofit, and includes a limited partnership in which the Developer or Applicant or Project Sponsor or an affiliate of the Developer or Applicant or Project Sponsor is a general partner.
6. “Developmental Disability” means, as defined in section 102 of the [Developmental Disabilities Assistance and Bill of Rights Act](#) of 2000 ([42 U.S.C. 15002](#)):
  - a. A severe, chronic disability of an individual that –
    - i. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
    - ii. Is manifested before the individual attains age 22;
    - iii. Is likely to continue indefinitely;
    - iv. Results in substantial functional limitations in three or more of the following areas of major life activity:
      1. Self-care;
      2. Receptive and expressive language;
      3. Learning;
      4. Mobility;
      5. Self-direction;
      6. Capacity for independent living;
      7. Economic self-sufficiency.
    - v. Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

- b. An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the criteria described in paragraphs (a)(i) through (v) of the definition of “developmental disability” in this section if the individual, without services and supports, has a high probability of meeting these criteria later in life.
7. “Extremely Low-Income Households” are households that earn up to 30% of the Area Medium Income.
8. “Fiscal and Programmatic Compliance” includes but is not limited to timely submission of requested financial documents; demonstrated provision of social and supportive services; proof of all required insurance; no delinquent payments or no loans written off as uncollectible; the timely submission of annual owner certification documents; satisfactory monitoring findings during occupancy, tenant file review, housing quality standards inspections; and labor compliance reviews. Included in this evaluation are timely completion of projects, and timely correction of any building deficiency noted by any governmental agency.
9. “Financial Feasibility”, and/or “Financially Feasible” means, for any Project for any given period of time during the term of the loan, that the total Operating Income for such Project for such period of time, plus funds released pursuant to the loan agreement from the Project’s operating reserve account(s) during such period of time is sufficient to:
  - a. Pay all current Operating Expenses for such Project for such period of time;
  - b. Pay all current mandatory debt service (excluding deferred interest) coming due with respect to such Project for such period of time; and
  - c. Fully fund all required reserve accounts.
10. “HIV/AIDS” means a person with acquired immunodeficiency syndrome or related diseases who is a low-income individual, as defined in this section, and the person's family, per 24 CFR 574.
11. “HUD” means the federal Department of Housing and Urban Development.
12. “Homeless” means the definition used by HUD at the time of application and/or lease up of an identified unit.
13. “Housing First” has the same meaning as in Welfare and Institutions Code Section 8255, including all of the core components listed therein.
14. “Multifamily” means a housing type where multiple separate housing units for residential inhabitants are contained within one building or several buildings within one complex, commonly referred to as an “apartment building.”

15. "Rent" means the same as "gross rent," as defined in accordance with the Internal Revenue Code (26 USC 42(g)(2)(B)). It includes all mandatory charges, other than deposits paid by the tenant, for use and occupancy of an Assisted Unit, plus a utility allowance established in accordance with CTCAC regulations, if applicable. For Units assisted under the Section 8 program or similar rental or operating subsidy program, Rent includes only the tenant contribution portion of the contract rent.
16. "Scattered Site Housing" means a Rental Housing Development that includes noncontiguous parcels. The requirement of this shall be interpreted in a manner consistent with the requirements of 25 CCR Section 8303 (b) pertaining to Scattered Site Housing. Scattered Site Housing is permitted provided that the following conditions are all satisfied prior to the closing of the loan:
- a. All Project sites in the Rental Housing Development must have a single owner and property manager;
  - b. All Project sites shall be governed by one set of program documents, which among other things, shall include similar tenant selection criteria, serve similar tenant populations and have similar Rent and income restrictions;
  - c. If the Rental Housing Development has project-based rental assistance, there shall only be one contract for all sites in the Project;
  - d. There may be at most one lender with required payments senior to the LACDA's loan;
  - e. There must be a single audit and annual report that covers all Project sites;
  - f. The Sponsor's obligations must be secured by all Project sites; and
  - g. The LACDA must be named on insurance policies covering all Project sites, with coverage meeting LACDA requirements.
17. "SSI/SSP" means the California Department of Social Services' Supplemental Security Income/State Supplementary Payment pursuant to Welfare and Institutions Code Section 12000 et seq.
18. "Survivors of Domestic Violence/Human Trafficking" – a survivor of domestic violence, pursuant to California Penal Code 13700, is a person who has experienced abuse committed by an intimate partner. Human trafficking is defined as a person who has been subjected to a "severe form of trafficking in persons," which, as defined in 22 U.S.C. § 7102(11), means
- a. sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such an act has not attained 18 years of age; or
  - b. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
19. "CTCAC" means the California Tax Credit Allocation Committee.

20. “Total Development Cost” means the sum of all eligible development costs associated with the acquisition, design, construction, or rehabilitation.
21. “Transition-Age Youth” means unaccompanied youth under age 25, including youth with children who are leaving the care of a government system, including foster care, mental health, or incarceration.
22. “Unit” means a residential unit that is used as a primary residence by its occupants, including individual units within Rental Housing Developments, including Shared Housing.

## **9 SIGNIFICANT CHANGES**

The LACDA’s NOFA is modified each year to account for changes in the housing industry, modifications to California Tax Credit Allocation Committee regulations, and/or changes in County or LACDA policies, funding priorities, or goals. The following items highlight the significant changes to the NOFA when compared to the last NOFA issuance. See specific NOFA sections for full information. Because the information presented below does not include all of the modifications to the NOFA, applicant teams are advised to read and consider the entire document before applying.

### **2.1 Application Evaluation**

During Threshold review, the project’s development timeline will be reviewed for reasonableness, and additional documentation may be requested to support timeline.

### **2.4 Application Reviews and Appeals**

LACDA will accept a Threshold Review appeal if the applicant can provide evidence demonstrating any missing document existed and was submitted as of the application filing deadline.

### **3.1 Available Funds and Rental Assistance**

Projects that received a past allocation of NOFA funds and are applying through this NOFA are governed under the most restrictive NOFA round, which includes project and unit funding, stacking of LACDA-awarded funds, affordability requirements, underwriting guidelines, and other project, funding, and rental assistance project limitations. Projects that do not close construction financing within the timeframes identified in this NOFA will be subject to the most current LACDA funding and underwriting requirements.

#### **3.1.2 Project Funding Amounts**

In the Capital Fund Project Limits Table, the Target Population now includes General Affordable Units. Additionally, The City of Los Angeles is not eligible for capital funding or rental assistance.

The Capital Fund Unit Limits chart now includes 3 Bedroom with a \$200,000 per unit subsidy.

### **3.1.4 Rental Assistance Requirements**

Unincorporated projects previously awarded capital funding solely seeking PBVs must submit a full application to request PBVs.

## **3.2 Target Populations**

General Affordable including Families, Seniors, and Extremely Low-Income Households has been added as a Target Population.

### **3.2.4 Affordability Requirements**

General Affordable units that receive funding must be restricted to households earning at or below 80% AMI.

### **3.3.1 Minimum Project Requirements**

Language requiring Housing First practices in property management plans has been removed. Use of CES is no longer required.

## **3.4 Ineligible Project Types**

Projects within 500 feet of a freeway may be considered for funding, if all other eligible projects have been considered for funding and funds are still available.

## **3.7 Additional Eligibility Requirements**

Language has been added regarding the maximum number of projects that can be in LACDA pipeline by an applicant.

All applicants must submit a Real Estate Owned (REO) Schedule form, which will be used as a Threshold qualitative screening of applicant portfolio. This form is to be submitted by the deadline stated in the NOFA timeline.

### **3.7.2**

Section has been removed.

### **3.7.4 Compliance With Programs**

The submittal of the confirmation of compliance is no longer required.

### **4.3.1 Good Faith Deposit and Long-Term Compliance Monitoring**

The non-refundable good faith deposit and the annual compliance monitoring payment amount has been updated to \$7,512.

## **5.0 Scoring and Evaluation Criteria**

Scoring categories and points awarded to projects have been updated.

### **5.2.2 Supportive Housing Developers & PBV Eligibility**

This section has been added to provide language on the eligibility criteria for applicants seeking PBVs through this NOFA.

### **5.2.5 Architect Experience**

The architect or the firm can be used for experience points.

### **6.1 Financial Feasibility**

Projects proposing commercial space must have a viable leasing option, such as a letter of interest or a commitment letter from a business.

### **6.2 Minimum Operating Expenses**

Table 6.2 Minimum Operating Expenses has been updated.

### **6.3 Partnership and Asset Management Fee**

The annual Partnership and Asset Management Fee has been updated to \$40,000.

### **6.4 Reserved**

This section has been reserved.

### **8 Definitions**

Extremely Low-Income Household has been added to the list of definitions.

### **NOFA Round 32 Checklist**

The checklist now includes a checklist for the Application for Rental Assistance (PBVs).

### **Supplemental Document 1**

Supplemental Document 1 is now Environmental Requirements. The Environmental Service Request form and Environmental Checklist form are to be completed by all applicants.