



**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
NOFA ROUND 25-A
TERM SHEET**

On October 2, 2019, the Los Angeles County Development Authority (LACDA) will release Notice of Funding Availability (NOFA) Round 25-A, which will provide capital funding, Section 8 Project-Based Vouchers (PBVs), and Project-Based Veterans Affairs Supportive Housing (PBVASH) Vouchers for the creation and operation of permanent multifamily rental housing units and single-family housing.

Applications will be due on November 13, 2019.

Available Capital Funds

- Up to a total of approximately \$57,000,000 comprised of the following:
 - Up to \$55,000,000 in Affordable Housing Trust Funds (AHTF). Units must be reserved for qualifying Special Needs populations, or general low-income populations, as allowed.
 - Up to \$2,000,000 in AHTF for affordable housing preservation projects.

Available Rental Assistance

- Up to a total of 800 PBVs/PBVASH Vouchers are available to projects within LACDA's jurisdiction. Projects must apply for and be awarded LACDA capital funds to qualify for rental assistance, with one exception, noted below.

The following types of rental assistance are only available to projects that also receive a capital award:

- A combined total of up to 600 PBVs and PBVASH Vouchers, allocated to meet demand. These vouchers are only available for Special Needs units funded by the LACDA.
- Up to 50 PBVs may be requested for non-Special Needs units funded by the LACDA. These units must be reserved for households earning no more than 30% of the Area Median Income (AMI) and must be filled by referrals through LACDA.
- Up to 50 PBVs available for eligible affordable housing preservation projects.

The following rental assistance is available for projects without a capital award:

- Up to 100 PBVASH Vouchers.

Eligible Applicants

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

Applicants may submit a maximum of one application for a project in the City of Los Angeles in which they are the Lead Developer. Projects that are located in High and Highest Resource Areas, as defined by the California Tax Credit Allocation Committee (CTCAC), are exempt from the one City of Los Angeles project per applicant restriction. There is no restriction on the number of

projects per Developer outside of the City of Los Angeles.

Eligible Project Types & Requirements

The following project types are eligible:

- **Tax Credit Project:** Projects using tax credit financing must provide at least 25 units of permanent, multifamily housing and set aside at least 20% of the total units, but no fewer than 15 units, for at least one qualifying Special Needs population.
- **Non-Tax Credit Project:** Projects that do not propose the use of tax credit financing must provide at least 10 units of permanent, multifamily housing and request at least \$1,500,000 in capital funds.
- **Preservation Projects:** Projects must be at least 35 units in size, in operation for over 15 years, and must demonstrate that residents are at imminent risk of economic displacement. Preservation projects may request capital funds, rental assistance, or both. Units must house Senior or Special Needs tenants and meet NOFA acquisition/rehabilitation requirements, if funding is requested. Applications must be made to CTCAC and/or California Debt Limit Allocation Committee (CDLAC) and the close of construction financing must occur in the 2020 calendar year. Any resident turnover of units assisted with PBVs must be restricted to 30% of AML.

All eligible project types must meet the following requirements:

- Projects must be located in their entirety within Los Angeles County.
- For projects developed on land owned by or formerly owned by the LACDA or County of Los Angeles, at least 49% of the total units must be reserved for an eligible Special Needs population.
- If any portion of a proposed development site is within 500 feet of a freeway, the project must be designed in such a way as to exclude from this 500-foot freeway “buffer” area any portion of the residential building, as well as play areas, community rooms, gardens, patios, and other areas where residents may reasonably be expected to congregate. An example of a suitable use within the 500-foot freeway buffer is a parking lot. The LACDA shall review and approve, at its sole discretion, any site plans for developments of this type.
- 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.
 - Complete, at a minimum, \$40,000 in hard construction costs per unit.
 - Provide new affordable units to the housing stock. Projects with existing affordability covenants are not eligible (excluding Preservation projects), unless the covenants are expiring within five (5) years of the NOFA application due date.
 - Not displace low-income households, or remove low-income units from the housing stock, unless the project provides for a two- (2) for-one (1) unit

replacement.

- Projects seeking capital funds must not have commenced construction. Projects seeking PBVASH Vouchers only may be in predevelopment, or be completed (but not in construction).
- Projects must adhere to the County's local hire provisions.

Target Populations

Special Needs households:

- Homeless Mentally Ill
- HIV / AIDS
- Developmentally Disabled
- Transition Age Youth
- Homeless Households
- Homeless Seniors
- Chronically Homeless
- Homeless Veterans
- Victims of Domestic Violence/Human Trafficking

Affordability Requirements

- Special Needs: units must be restricted to households earning at or below 30% AMI. Income targeting may be as high as 35% AMI with reasonable justification provided by the applicant and approved by the LACDA.
- Projects that propose to use AHTF for low-income households, which are households earning up to 50% AMI, must provide three (3) Special Needs units for every one (1) non-special needs unit funded.
- General low-income units reserved for households earning at or below 30% AMI are eligible for PBVs in LACDA's jurisdiction.

Funding and Geographic Restrictions

The LACDA may provide separate funds for eligible projects based on the target populations and/or geographic area. The LACDA reserves the right to shift funding at its discretion, including incorporating federal HOME funds into eligible projects.

Maximum Funding Per Project:

- Projects outside of the City of Los Angeles: \$7 million.
- Projects in the City of Los Angeles: \$2 million.
- Preservation Projects: \$1 million.

CAPITAL FUNDS			
Fund Type	Target Population	Eligible Geography	Maximum Subsidy Per Project
Affordable Housing Trust Funds	Special Needs	LA County	\$7,000,000 in areas outside of the City of Los Angeles or on County-owned land. \$2,000,000 in the City of Los Angeles. Funds allocated on a per-unit basis for eligible assisted unit types.
	Low-Income		
Affordable Housing Trust Funds	Preservation	LA County	\$1,000,000

CAPITAL FUND SUBSIDY LIMITS			
Number of Bedrooms	Per Unit Subsidy - 4% Tax Credit Project	Per Unit Subsidy - 9% Tax Credit Project	Per Unit Subsidy - Non-Tax Credit Project
0/Studio	Up to \$220,000	Up to \$140,000	Up to \$220,000
1	Up to \$230,000	Up to \$150,000	Up to \$230,000
2+	Up to \$250,000	Up to \$160,000	Up to \$250,000

RENTAL ASSISTANCE			
Type of Funds	Target Population	Eligible Geography	Maximum Subsidy Per Unit
PBVs	Special Needs @ 30% AMI	Unincorporated LA County or Participating Jurisdiction	As specified by LACDA Section 8 payment standards
PBVASH Vouchers	Homeless veterans & their families @ 30% AMI		
Preservation PBVs	Special Needs & Seniors @ no greater than 50% AMI		

Key Threshold Requirements

Applications will be reviewed in two stages: 1) threshold review and 2) technical review.

The following are key minimum threshold requirements that applicants and projects must meet to be considered for technical scoring:

- Lead Developer: Must have completed a minimum of three (3) affordable rental housing projects.
- Lead Supportive Services Provider: Must have a minimum of 12 months of experience in providing services to the project’s Special Needs population in at least one (1) housing-

setting project. If the Lead Supportive Services Provider does not have experience serving the proposed Special Needs population, the applicant must justify how the prior experience serving other Special Needs populations in a housing setting is transferrable to the proposed population.

- Supportive Services: The Supportive Services Plan must address adequate service provision to all project populations.
- Property Manager: Must have experience in managing at least two (2) projects with similar tenant populations and of similar scale as the proposed project. The Property Manager may be the applicant's own personnel, or a third-party contractor.
- Design: The project architect must have completed at least two (2) affordable multifamily rental housing projects, or have completed one (1) LACDA-funded affordable multifamily rental housing project of the type currently being proposed (new construction or rehabilitation). All projects must meet the LACDA's Design Requirements.
- Compliance: Applicants must be in compliance with all regulatory agreements with the LACDA and requirements of other governmental entities or permitting agencies. The LACDA retains sole discretion to approve or reject applicants based on past performance.
- Cash Flow: Must demonstrate positive cash flow for 15 years and, at application, elements of the cash flow statement must generally adhere to the LACDA's underwriting guidelines.
- Affordability: All units funded by the LACDA must target households earning at or below 30% AMI for Special Needs units or 50% AMI for low-income and preservation units, except as noted in Affordability Requirements.

All applicable checklist items must be submitted in the NOFA application in order for a project to be considered for award of funds by the LACDA.

Key Technical Scoring Categories

The following are the general categories that will be used to score applications.

- Committed Public Financing: Ratio of committed capital funds from public agencies to total development costs.
- Committed Operating Subsidy: Ratio of Special Needs units with committed operating subsidy to total Special Needs units.
- Applicant Team Experience:
 - In addition to meeting the minimum threshold experience, the Lead Developer will be scored based on additional completed Special Needs and affordable rental housing projects.
 - In addition to meeting the minimum threshold experience, the Lead Supportive Services provider will be scored based on additional years of experience serving the proposed Special Needs population in a housing setting.
 - In addition to meeting the minimum threshold experience, the property management company will be scored based on experience managing Special Needs and affordable rental housing projects.

- In addition to meeting the minimum threshold experience, the Architect of Record will be scored based on experience with affordable rental housing projects of the type proposed (new construction or rehabilitation).
- Supportive Services:
 - Supportive services will be evaluated on a Pass/Fail basis.
 - A Pass rating will be awarded to Supportive Services Plans that appropriately complete address the service criteria for the population(s) the project will serve, which will be defined in the NOFA. The Plan must include a detailed description of each service and identify the provider. For mixed population projects, there must be clear distinction between the staffing resources and services allocated to each population.
 - Those projects that receive a Pass rating may also be issued a Final Conditions List detailing sections of the Supportive Services Plan that must be revised prior to release of any loan funds. It is anticipated that most projects receiving a Pass rating will also be issued a Final Conditions List.
- Design: Projects will be evaluated on a Pass/Fail basis. Projects will be assigned a rating of Pass if they generally adhere to the LACDA's Design Requirements.
- Geography: Points will be awarded, in descending amounts, for projects located in: 1) Unincorporated Areas of Los Angeles County and then 2) Areas outside of the City of Los Angeles.
- Affordable Housing and Sustainable Communities (AHSC) Projects: Projects that have been approved for participation in the County of Los Angeles AHSC readiness program and are receiving technical assistance through this program will be prioritized.
- Special Needs Project: Extra points will be awarded to projects in which at least 49% of total units are set aside for Special Needs Households.
- In addition to the NOFA application score, the LACDA will determine project funding by taking into account, in descending order, the following factors: whether a project is supported by the County's Affordable Housing and Sustainable Communities workgroup, using County-owned land, or is part of a County-supported effort; the geographic distribution of applications (by Service Planning Area or Supervisorial District); the total number of units being produced; the population served and percentage of units for each population type; the CTCAC tiebreaker score (9% projects only), and the number of Commission projects in application, predevelopment, or construction by the applicant.

Funding under this NOFA will be awarded on a competitive basis. The LACDA reserves the right in its sole discretion to modify any terms in this Term Sheet. This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations will be included in the published NOFA.