NOTICE OF FUNDING AVAILABILITY FOR AFFORDABLE MULTIFAMILY RENTAL HOUSING ROUND 26

Proposers Conference - October 22, 2020
AGENDA

1. AVAILABLE FUNDING/RENTAL ASSISTANCE
2. ELIGIBILITY REQUIREMENTS
3. TARGET POPULATIONS
4. APPLICATION PROCESS AND SCORING
5. TIMELINE
6. ACKNOWLEDGEMENT
AVAILABLE FUNDING/RENTAL ASSISTANCE
Funding Basics

• Use the “Application for Funding”
  o Application checklist
• Anywhere within Los Angeles County
• Funding scales based on number of bedrooms in each assisted unit
• Two tiers of funding for Affordable Housing Trust Funds (AHTF)
  o Projects outside of the City of Los Angeles
  o Projects in the City of Los Angeles
• No Place Like Home (NPLH) funds have no geographic restriction
Available Funding

Capital Funds – Up to $105,200,000
• Up to $46,000,000 in AHTF for new construction or acquisition/rehabilitation projects. Units must be reserved for qualifying Special Needs populations.
  • $5,000,000 per project maximum outside of the City of Los Angeles or on County–owned land
  • $2,000,000 per project maximum within the City of Los Angeles

• Up to $9,200,000 in AHTF for qualifying affordable housing preservation projects
  • $1,000,000 per project maximum

• Up to $50,000,000 in NPLH funds for units serving NPLH populations
  • $7,000,000 per project maximum with no geographic restrictions
Available Funding – Stacking of Funds

Stacking of AHTF and NPLH Funds

- $10,000,000 project maximum in areas outside of the City of Los Angeles or on County-owned land
- $7,500,000 project maximum within the City of Los Angeles
- All funds are allocated on a per-unit basis for eligible assisted unit types
- NPLH funds cannot be stacked with other sources administered by the California Department of Housing and Community Development (HCD)
Available Rental Assistance

Rental Assistance – Up to 600 Vouchers for Projects in LACDA’s Jurisdiction

• 400 Project-Based Vouchers (PBVs)/Project-Based Veterans Affairs Supportive Housing (PBVASH) Vouchers, allocated to meet demand, for Special Needs and/or NPLH units receiving funding by the LACDA.

Limited rental assistance is available to projects without an associated capital award:
• Up to 100 PBVs available for preservation projects
• Up to 100 PBVASH Vouchers

*Since rental assistance is scarcer than in the past, the LACDA may reduce requests based on project need.
Applying For Rental Assistance

• Use the “Application for Rental Assistance” to apply for rental assistance
• Request for rental assistance must accompany request for capital funds
  o Projects applying only for PBVASH or Preservation PBVs must complete sections in the Application for Funding as indicated in the Application for Rental Assistance
• Contract term of 20 years
• Include PBV/PBVASH assumptions in funding application
Bond Issuance

If tax-exempt bond financing is contemplated for a project within an Unincorporated County area, the conduit issuer must be the LACDA. 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 (or Housing Authority) may be the conduit issuer. If the project is located in an incorporated city that does not have authority to issue bonds, then the LACDA must be the conduit issuer.

CDLAC applications are competitive and the LACDA is establishing submission guidelines to allow for sufficient time to review applications for completeness.

Contact the LACDA’s Bond Administrator at (mfbonds@lacda.org), early in the project planning stage.
ELIGIBILITY REQUIREMENTS
General Eligibility

- Eligible Project Types Include:
  - Tax Credit Projects
  - Non-Tax Credit Projects
  - Preservation Projects
  - NPLH Projects

- New construction or acquisition/rehabilitation
- Rehabilitation projects – any existing covenants must be set to expire in the next five years
- Construction has not started
Eligible Project Types

• **Projects using tax credit financing:** Must be at least 25 units in size, with the greater of 15 units or 20% of the total units reserved for a Special Needs population.

• **Projects that do not use tax credit financing:** Must set aside at least 20% of the total units for a Special Needs population and request at least $1,000,000 in capital funds. No unit minimum required.

• **Preservation projects:** Must be at least 25 units in size, in operation for more than 15 years, and demonstrate that residents are at imminent risk of economic displacement. Preservation projects may request capital funds, rental assistance, or both. Units must house seniors or tenants that were considered a Special Needs population upon initial lease-up.
Eligible Project Types - Continued

- **NPLH projects**: Units must be reserved for permanent multifamily supportive housing for persons who meet NPLH eligibility criteria. For projects that seek NPLH funds, the County of Los Angeles Department of Mental Health (DMH) must approve the number of units set aside for NPLH-qualifying residents. Projects seeking greater than 49% of NPLH unit in a project must obtain written approval by DMH. Projects must meet general NOFA requirements plus those requirements found in the NPLH Supplemental Document.

*Funding and rental assistance is not available to general low-income units.*
TARGET POPULATIONS
Special Needs Populations

- Homeless with a Mental Illness
- HIV / AIDS
- Intellectual and Developmental Disabilities
- Transition Age Youth (also Homeless TAY)
- Homeless Households
- Chronically Homeless
- Homeless Veterans
- Homeless Seniors (Age 55+)
- Survivors of Domestic Violence or Human Trafficking
- NPLH

Special Needs units must be restricted to 30% AMI or below
Application Process

• Applications submitted online only
• Complete the Application for Funding
• Complete the Application for Rental Assistance (PBV/PBVASH), if applicable
• Threshold requirements and additional supporting documents identified in application checklist
Application Evaluation and Scoring

Threshold Review
- Adherence to program parameters, including target population, funding limits, eligible use of funds, underwriting standards, and financial feasibility.
- Applicant criteria are met.
- All threshold items are submitted (see application checklist).

Technical Review
- More in-depth review of project and financial feasibility conducted.
- Maximum score: 555 (projects must score at least 333 to be eligible for funding)
Application Evaluation and Scoring - Continued

Funding Awards

- Projects that meet funding eligibility will be evaluated based on the following factors:
  
  o 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;
  
  o The geographic distribution of projects;
  
  o The total development cost on a per-unit basis;
  
  o Located in a high or highest resource area or an identified area of displacement;
  
  o The total number of units being produced, the population served, and the percentage of units for each population type; and
  
  o The number of LACDA projects in application, predevelopment, or construction by the applicant.
Significant Changes

Appraisals
• Environmental conditions must be considered in all appraisals.

Acquisition and Value
• After initial site acquisition, any subsequent transaction that results in an increase in land value must be arms-length transactions.

Commercial Costs
• Costs of tenant improvements for commercial space must be excluded from budget.

Cost of Financing/Loan Interest
• Only loans made by financial institutions may carry an interest rate for predevelopment or project expenses.
Significant Changes - Continued

Environmental Reports
• The LACDA must be named as an intended user for environmental reports or include a reliance letter for existing environmental reports.

Term of Commitment
• Projects may be required to adhere to an extended affordability term that exceeds 55 to 57 years.
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<thead>
<tr>
<th>Date</th>
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<tr>
<td>October 8, 2020</td>
<td>NOFA Release</td>
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<td>October 22, 2020</td>
<td>Mandatory Proposers Conference</td>
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| October 23, 2020   | **All projects:**  
|                    | • Submit Request for Confirmation of Compliance (Application Tab B.7) ([Nicole.Quach@lacda.org](mailto:Nicole.Quach@lacda.org))  
|                    | **Unincorporated Los Angeles County projects:**  
|                    | • Submit Request Consolidated Plan Certification (Application Tab B.4) ([Raymond.Webster@lacda.org](mailto:Raymond.Webster@lacda.org))  
|                    | • Submit Request to exceed 49% NPLH units (Application Tab B.15a) ([RTurner@dmh.lacounty.gov](mailto:RTurner@dmh.lacounty.gov))  |
| October 30, 2020   | Response to waiver request to exceed 49% NPLH units issued           |
| November 3, 2020   | Deadline to submit questions through the NOFA Q&A                    |
| November 19, 2020  | **Applications Due Before Midnight (by 11:59 p.m.)**                 |
ACKNOWLEDGEMENT
Acknowledgement of Attendance

- Please use the Q&A function for today’s meeting to provide applicant name, organization, and the name of your anticipated project.

- If you are undecided at this time about whether you will submit an application, at a minimum provide your name and your organization’s name to confirm attendance at today’s meeting.
During the application period, questions should be submitted to the “Ask a Question” link in the online NOFA application. The link is found in the top ribbon of the online application.