



NOTICE OF FUNDING AVAILABILITY (NOFA) FOR AFFORDABLE MULTIFAMILY RENTAL HOUSING, ROUND 26

QUESTIONS AND ANSWERS

Issued on November 2, 2020

The below questions were collected as part of the Los Angeles County Development Authority's (LACDA) NOFA Round 26 application process. The purpose of this document is to answer questions related to the criteria and means used for awarding funds for multifamily affordable rental housing projects. Questions may have been edited for clarity. Answers are provided in [blue font](#).

Environmental/CEQA

1. The NOFA states that application must submit an environmental request form with our application. Where can I locate this form?

[The ESR form is Supplemental Document 14.](#)

2. Do we have to submit the ESR form prior to submitting the application? And if we do, whom do we send it to?

[No, you do not have to submit it prior to your application, but please make sure to include it in your application.](#)

3. If a project does not require a CEQA or NEPA due to the project being ministerial, what documentation would satisfy this section?

[NEPA clearance is only required if the project is requesting PBV/PBVASH vouchers from the LACDA. CEQA clearance is required for all projects. The jurisdiction in which your project is located should provide evidence of the ministerial exemption.](#)



lacda.org

700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898



Acting Executive Director: Emilio Salas
Commissioners: Hilda L. Solis, Mark Ridley-Thomas, Sheila Kuehl, Janice Hahn, Kathryn Barger

4. A lot of jurisdictions do not perform CEQA review for ministerial projects because CEQA does not apply because, under state law, ministerial projects are not considered a "project" under CEQA. Does the County require CEQA clearance for ministerial projects that are not considered a "project" under CEQA under state law?

If the local jurisdiction does not provide a document with this ministerial finding, an email from the Planning Department confirming this ministerial finding will be accepted if the email contains: project name, project site address, project description, and planning finding.

5. Can you clarify the CEQA timeline? Is there one set date by which CEQA is required? Or do you still just need to demonstrate CEQA approval about six weeks prior to needing LACDA's funding commitment?

There is no set date by which CEQA is required. The LACDA needs to receive CEQA documents 6-8 weeks prior to needing LACDA's funding commitment in order to review CEQA documentation and prepare a request for Board approval of the project.

6. The environmental checklist, for a notice of exemption states the following is required: "Signed letter from local jurisdiction or lead agency indicating type of exemption used. The letter must reflect the size and configuration of the project." Can we submit the actual notice of exemption? It meets all of these requirements.

Yes, the notice of exemption should be submitted.

7. If a project is proposed as a 2nd round TCAC application, will there be a later Board Approval date after February 16, 2021 and can CEQA clearance be obtained 6 weeks prior to that date?

Yes, there will be a Board approval date after February 16, 2021.

8. Can you speak to the entitlements, must the development site be entitled by the application due date?

No, the project does not need to be entitled by application due date.

9. I have a Phase I and Phase II report from 2019 for my project. I understand I need to update the Phase I report to be within 180 days of the Application Due Date. Do I need to update the Phase II given that the site is a vacant lot and no improvements or modifications have occurred? Or can I submit the original Phase II report from 2019?

The environmental the consultant can provide a letter stating that site conditions are unchanged and that you and the LACDA can rely upon the older report.

Appraisal

1. Are appraisals required for all projects? The NOFA reads: "The appraisal must be conducted prior to or within 30 days of executing a purchase contract, before construction or rehabilitation, and without consideration of any financial implications of tax credits or project-based vouchers." Secondly, if required, how recent does the appraisal have to be?

Yes, appraisals are required. Appraisals may be conducted up to 180 days before executing a purchase contract, or withing 30 days after executing the purchase contract.

2. Regarding the appraisal, when the appraisal was done it took several months prior (over the 180 day requirement) to signing our lease option. What can we do in this case, would an updated letter from the appraiser suffice?

Yes, the appraiser can provide a reliance letter stating that the market conditions have not changed and the value has not changed.

3. Is an appraisal still required if the project will have a long-term ground lease?

If the ground lease is based on the fair market value of the project or based on the value of the land or the improvements, then yes, we still need an appraisal.

4. For the new rules about environmental conditions in appraisals, if this was not considered in the original appraisal that was done at the time of acquisition, how would you want us to handle that? if we were to get a new appraisal it would not within 6 months of acquisition.

If there are environmental conditions on the site, please identify the environmental conditions and ask the appraiser if those conditions will affect the value of the land. The appraiser can provide a letter stating the value of this site is not impacted by the environmental conditions, if that is the case.

5. If acquiring parcels from CalTrans, would opening escrow with CalTrans qualify as site control?

We would expect that there is some documentation indicating the site is to be purchased or used for your intended project. Please provide evidence of this commitment.

6. Because an appraisal does not typically consider lead and asbestos in its valuation, does the Appraisal need to contemplate the minimal cost of lead and

asbestos removal for a building that will be demolished? Or, is the environmental consideration requirement in the appraisal more for Phase I/II conditions?

It is acceptable if the appraisal does not take into account lead and asbestos in its valuation if the site improvements are going to be demolished. Of greater concern is contamination of the site itself.

Lead and Asbestos

1. Is a Lead Based Paint and Asbestos report required for a new construction project if the new construction project will entirely demolish an existing, vacant structure that was built prior to 1978? Or can we provide a letter that confirms the structure is assumed to have Lead Based Paint and Asbestos and will be demolished in accordance with all requirements, laws, rules and regulations.

Please provide a letter describing how the project will comply with the various lead/asbestos containing materials regulations that apply to demolition activities. Your contractor should understand the requirements for demolition when lead and/or asbestos are involved and the letter should address this in some detail, including the regulatory requirements for the demolition, with an acknowledgment that the contractor will comply with the requirements

2. For a new construction project that will require demo of an existing structure, is it necessary to update a lead and asbestos survey if the report is 11 months old? I ask because the information within the report would not change (no lead or asbestos was added to the building) and the structure will be demolished (with conditions abated as outlined within the report).

The existing report is sufficient.

Project-Based Rental Assistance

1. I found the following on the LACDA website, which is linked as the voucher payment standard. The header says it was last updated in 10/2018. Is there a more recent update? The FMR on HUD's website is much higher, so hopefully there's been an update.

Please refer to NOFA Supplemental Document 10, which provides Housing Choice Voucher Program Payment Standards Effective Oct. 1, 2020.

2. Does our project need to submit an ESR if we are not requesting PBVs, PBVASH, or HOME Funds? Also, our project is ministerial which does not need a NEPA or CEQA clearance, what information would you like for us to provide to satisfy this section?

If your project is not applying for PBVs/PBVASH then you do not need to submit an ESR form. For CEQA, please submit a letter of determination or a CEQA

Exemption from the local jurisdiction. Please refer to Worksheet CEQA Checklist in the Application for Funding for some additional information.

3. Projects located in the city of Los Angeles can also apply for the PBVs offered through this NOFA? I was told that projects in the City of Los Angeles can only apply for PBVs through HACLA.

This NOFA offers project-based rental assistance only for projects in LACDA's jurisdiction. Projects in the City of Los Angeles can only apply for PBVs through HACLA

4. Will the Vouchers be extended to the new 55-year requirement.

The 55-year affordability term is not new, rather the County is exploring the potential of extending affordability past 55 years. PBVs have a 20-year contract, with options to renew.

5. Just wanted to confirm whether a project in the City of Long Beach would be allowed to apply for PBV or VASH vouchers.

The City of Long Beach has its own Housing Authority, so projects in the city would need to apply to the City of Long Beach Housing Authority for PBV/PBVASH vouchers. LACDA PBV/PBVASH vouchers are only allowed for LACDA served areas or jurisdictions that do not have their own Housing Authority. Please refer to Supplemental Document 2 – Eligible Areas

6. Can applicants apply for just PBVs for a special needs population building currently under construction or already constructed?

If the project is seeking PBVASH, then yes, there is opportunity to apply for PBVASH Vouchers for a project under construction or already constructed.

7. Are City of Los Angeles projects eligible for PBVs?

No, the City of Los Angeles is not within the LACDA's jurisdiction for rental assistance.

Committed Public Funds

1. We have a project that will be built on LA City-owned land with a ground lease. The land will have a de minimis lease payment (\$1/year) and is considered donated land per TCAC regs. We currently have an ENA with the City (from 2017) and will commission an appraisal so that we can count the land donation as committed public funds in the LACDA application. Can LACDA please clarify whether the appraisal should estimate the "as-is" fair market value, or the value of the leasehold interest?

The appraisal should provide a determination of value based on as-is fair market value.

2. Under the Scoring Criteria 'committed operating support for special needs units' - If we have HHH funding for our PSH units does this count?

Unless HHH financing will be used to provide rental assistance, it is not a source of operating support.

Organization and Partners

1. For a limited partnership, is it required to have all the partnership member entities formed prior to the application? Such as the entities acting as the MGP, AGP, etc...?

Limited partnerships do not need to be fully formed at the time of application.

2. Please clarify if the applicant can be a sponsor or must be the LP.

The Applicant can be a sponsor. If you have an LP formed, the name of the sponsor is needed. The sponsor is still considered the applicant.

3. If a project has co-general partners, one that is being called the managing general partner and the other the administrative general partner with both organizations involved in ongoing operations, can the experience of the administrative general partner be used if that organization has more experience?

If the project has co-general partners, the organization with more experience will be scored.

4. Regarding Applicant Certification Statement (Question 3d): Do we need to include all litigation that the applicant has been involved in? Or just pending litigation?

The question asks: "Is there, or has there ever been, a settlement and/or judgment filed, or a case pending against the Applicant or any of its partners, principals, or affiliates? If yes, please explain." Applicants should provide all litigation actions.

5. Can you tell me weather we need a market study?

A market study is not required for this application, however, the LACDA will request a copy of the market study when one is prepared.

6. Are adaptive reuse projects considered new construction or rehab? We are proposed to convert a non-residential structure (a vacant grocery store) into 54 units of housing (one manager's unit) through adaptive reuse inside the grocery

store which will produce 16 one bedroom units and space for property management, case management and other common areas while the rest of the units will be housed in a newly constructed building after demolishing a small portion of the existing building and combining the freed up space and a parking lot. We are asking for document purposes, will we need to provide a Physical Needs Assessment, Energy Model, etc...

Please send an email to Beatriz.Lopez@lacda.org with more information on this project. Specifically, the level of work or rehabilitation to be conducted and the extent to which the existing structure and systems will be modified or used.

No Place Like Home (NPLH) Funds

1. Do Transition Age Youth automatically qualify for NPLH (per Section 3.2 of the Guidelines and as is suggested in the Target Population Matrix) or do they need to meet the Welfare and Institutions Code Section 5600.3 (a) or (b) that requires at least one member of the household to be: a) Adults or older adults with a Serious Mental Disorder, or b) Seriously Emotionally Disturbed Children or Adolescents?

If the applicant plans to target TAY, the target population must meet the Welfare and Institutions Code 5600.3 to be eligible for a NPLH assisted unit.

2. Can NPLH assisted projects apply for PBVs? Or is operating subsidy associated with NPLH funds? For cities that do not participate in the county's HOME Program?

Yes, NPLH assisted projects can apply for PBVs if they in the LACDA's jurisdiction for such rental assistance. Please see Supplemental Document 1 for a list of jurisdictions served.

3. My project already has a NPLH award. Can I still apply for AHTF funds for special needs on the same units? Does the stacking of funds still apply?

Yes, you can apply for AHTF fund for Special Needs units on the same units. Stacking of funds will apply. Be aware that the funding limits for all sources, as listed in the current NOFA, apply.

4. Is a property in the City of Pomona or Long Beach eligible for NPLH funds?

Yes, NPLH funds can be used by projects in all areas of Los Angeles County.

5. Please confirm NPLH loan limits do not differ if the project is a 4% or 9% deal.

Correct, NPLH loan limits do not differ if the project is a 4% or a 9% deal.

6. You stated "NPLH funds cannot be stacked with other sources administered by HCD". Does this apply to AHSC (which is technically under the Sustainable Growth Council)?"

Supplemental Document 9, Section 1.4 identifies the sources where stacking of NPLH funds is prohibited. Listed as an "HCD funding source" is: "Affordable Housing and Sustainable Communities Program Affordable Housing Development loan, except for grants for infrastructure, transportation-related amenities, and program costs."

7. Can NPLH funding be layered on units with SNHP funding?

No.

8. With NPLH funding, what are the requirements for the non-SN/non-NPLH units in terms of services?

Please refer to Supplemental Document 3 - Supportive Services for supportive services requirements for non-Sn and non-NPLH units.

9. Can projects in City of LA request to exceed 49% NPLH units, or only projects in unincorporated County?

All NPLH projects can request to exceed 49% NPLH units.

10. If a project received a waiver to exceed 49% NPLH units for a previous round, do we need to obtain a new/updated letter from DMH?

If DMH approved a waiver previously, that approval is still valid.

11. What if Veterans receive a disability compensation rate that puts them well above the 30% AMI limit for NPLH?

NPLH units may not be designated for households earning more than 30% of AMI.

12. Where can we find the "NPLH additional requirements"?

Supplemental Document 15 – No Place Like Home Program Requirements

Bonds

1. Regarding Bond Issuance: What if a project already has an allocation of bonds and also is committed with CalHFA for Issuance, but has not yet started construction and is otherwise eligible to apply. Will you allow outside issuer?

Please contact our Bond department at mfbonde@lacda.org to discuss bond issuance.

Total Development Cost

1. Regarding 'Justification for Residential Development Costs Exceeding \$500,000 per unit max,' is this just a letter that needs to be written on company letterhead and signed by the CEO?

Yes.

2. It sounds like any LACDC capital sources can only be applied to special needs units - please confirm.

Correct, both AHTF and NPLH funds can only be allocated to Special Needs units.

3. Is there a map of the areas of displacement?

Not at this moment.

4. Is there an added emphasis on projected TDC/unit this year?

Yes.

Scoring

1. HCD programs count the funds you're applying for as committed funds in scoring. Like other HCD programs, will NPLH funding requests be included as committed funds in the scoring of applications?

No, projects must apply with funds committed at the time of application for those funds to be considered "committed".

2. If a project already have a NPLH award but something changed in the project and we would like to request additional funds, do we need to submit a full application or is there another process for that?

Yes, submit a full application for additional funding.

3. If a project applies for both AHTF and NPLH, and is only awarded one source, how is financial feasibility evaluated?

If the projects needs both sources to work and to be viable, then the project is not considered financially feasible. We will reach out to projects to discuss if another funding source is available before making such a determination.

4. If we are building 4 units that will house 4 special needs young adults in each unit will that qualify under NPLH?

If this is a shared housing project, this project would not qualify under NPLH. If this is not a shared housing project, please contact us to discuss further.

5. If AHTF considers geography and NPLH does not, would a City of LA project, for example, have two separate scores? One for NPLH and one for AHTF?

No, as soon as the project has NPLH funds, it is considered geography neutral and will receive full points for geography.

6. There is \$50 million in funding for NPLH, and it is likely that this will be oversubscribed with projects receiving full points. How will funding be prioritized?

Generally, our NOFAs have been oversubscribed and we do believe this will be a complete round, as well. Funding will be prioritized as stated in Section 5 in our NOFA Guidelines.

7. For the architect experience points, can they partner with another firm who has the experience to get those points? How would that collaborative partnership need to be reflected?

If there are more than one firm, we will take the one with the greater experience, but they will need to be the architect on record. Please contact Beatriz.Lopez@lacda.org to provide specific project information so we may discuss further.

8. Will there be an updated list of ICMS providers released? Some organizations were left off the list that became ICMS providers after October 2019.

Yes, an updated list is available on LACDA's website at: <https://www.lacda.org/for-developers/multifamily-rental-housing>

Preservation

1. Can project be considered a preservation project even though it wasn't initially occupied by senior or special needs but have leased to special needs upon turn over in the past 15 years?

No, this project would not meet the Preservation definition.

Funding

1. Assumedly, if we are doing single family acquisition, rehab, the project costs will exceed \$500,000 per unit in Los Angeles City. What criteria are you looking for in that review by LACDA as to whether to accept or reject the application?

Single family projects are not eligible for funding under this NOFA.

2. A given project can apply for AHTF up to the per-project max and NPLH up to the per project max? So if not in City of LA \$5MM + \$7MM = \$12MM in potential funding?

Correct. If the project is outside City of LA, it is not stacking funds on any units - meaning there are enough units to dedicate to AHTF and NPLH funds separately - then the maximum funding available is \$12 million.

3. If we have a project that is an acq rehab - do the units have to be empty to qualify them for the application?

If the units are not empty, residents will most likely not qualify as "homeless", which is a prerequisite for a number of special needs designations. If this is a Preservation project, units do not need to be empty.

4. For TDC, can the cost to construct the commercial portion of the project be excluded from the TDC/unit since projects without commercial space will naturally have lower TDC/unit and TDC?

If cost to build the shell for the commercial space is included in the development budget, it is considered a project cost and cannot be excluded.

5. Is there a pipeline of deals that are competing for a re-allocation because of 4% tax credits now being competitive that you are aware of?

Please contact our Bond unit at mfbonds@lacda.org to discuss further.

6. Is the maximum per unit subsidy based on unit type (ex. \$140,000 for studios) the capital funding limit for NPLH/AHTF in total or for NPLH and AHTF each (i.e. \$280,000 for studios that use both NPLH and AHTF)?

The two funding sources can be layered and funds would be added together. AHTF and NPLH would each be allocated at \$140,000 and the project would receive \$280,000 for that unit, in this example.

7. Are we able to secure conventional financing along with any LACDA NOFA.

Yes.

8. Can projects with TCAC allocations apply for ADDITIONAL financing form LACDA. Either, additional NPLH funding or AHTF?

No, if a project has a TCAC allocation is not eligible.

Other

1. Will LACDA permit modular construction projects?

Yes.

2. Will the funding support shared living environments (i.e. 3 bedroom unit shared by 3 individuals who have developmental disabilities)?

No, this NOFA does not provide funding for projects with shared living environments.

3. For architect's experience, can we count projects that are currently under construction?

No, only projects that are completed will be considered.

4. Under Architect Experience: For 'exterior elevations' & 'one drawing illustrating the spirit of the project', is the design façade sufficient for this funding application?

Yes, we are looking to see what the project looks like in space.

5. Is a landscape design required similar to the level of design for an entitlement set?

The NOFA identifies the following as a requirement at the time of application submission: "Landscape plan with conceptual plant list showing a minimum of 75% of plants (by area and clearly indicated in a table) are selected from a published drought-tolerant plant list, or the local jurisdiction's drought-tolerant list, if required. If a landscape plan is not yet developed at the time of the NOFA application, a statement acknowledging this requirement is sufficient."