



TERM SHEET NOFA 28

In collaboration with the Chief Executive Office of the County of Los Angeles, the focus of this Notice of Funding Availability for Affordable Multifamily Rental Housing, Round 28 (NOFA 28) is on new construction and acquisition/rehabilitation projects that create new Special Needs and affordable rental housing units for residents vulnerable to COVID-19 and in areas significantly impacted by the COVID-19 pandemic. Incorporating the principles of the County's Anti-Racism, Diversity, and Inclusion (ARDI) Initiative, the Los Angeles County Development Authority (LACDA) seeks to support the creation of permanent housing to provide equitable relief and assistance to impacted communities. An overriding goal is to ensure that recovery programs are equity-focused, community-empowering, worker-centered, and results- and evidence-focused to maximize the benefits of the communities suffering disproportionate health and economic impacts from the COVID-19 pandemic.

Incorporating equity components into the NOFA enables the LACDA to prioritize disproportionately impacted communities. In addition to ensuring equitable access to housing, this NOFA seeks to attract developers, property management companies, architects, contractors, and workers in impacted communities to ensure that the LACDA funds benefits those most impacted. The LACDA will work closely with the County of Los Angeles Department of Economic Opportunities to certify development team members that qualify for Local Small Business Enterprise (LSBE), Disabled Veteran Business Enterprise (DVBE), Social Enterprise (SE), and Community Business Enterprise (CBE) certifications. Equity points will be awarded to team members that have an active certification for any of these programs.

In October 2022, the LACDA will release NOFA 28, which will provide capital funding and Section 8 Project-Based Vouchers (PBVs) and Project-Based Veterans Affairs Supportive Housing (PBVASH) Vouchers for the creation and operation of permanent affordable multifamily rental housing units in Los Angeles County.

Applications will be due 45 days from the release date of NOFA 28. The LACDA will launch and utilize a new Universal NOFA (UNOFA) Application Website. Applicants are encouraged to register to the UNOFA Website before the release of NOFA 28. Applicants can register at <https://www.unofa.org/#/homepage> and also review the user manuals for further information under the FAQs section.



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Available Capital Funds

- Up to \$35,200,000 in Affordable Housing Trust Funds (AHTF) for units reserved for qualifying Special Needs populations.

Available Rental Assistance

- Up to a total of 300 PBVs/PBVASH Vouchers are available to projects within LACDA's jurisdiction. At the sole discretion of the Executive Director, the LACDA will consider providing PBVs for projects in jurisdictions in which the local Housing Authority has reached the statutory cap for PBVs. A letter from the Housing Authority confirming this status will be required and the local Housing Authority will need to enter into a Memorandum of Understanding with the LACDA.
- Projects must apply for and be awarded capital funds to qualify for rental assistance, with one exception. Projects seeking only PBVASH Vouchers may apply for this rental assistance type as a stand-alone application. Such applications will only be considered if sufficient PBVASH Vouchers remain after providing rental assistance to projects funded through NOFA 28.

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.

There is no restriction on the number of applications a developer can submit, but the LACDA will only award a maximum of two projects submitted by the same applicant.

Eligible Project Types & Requirements

- Tax Credit Projects: Projects using tax credit financing must provide at least 25 units of permanent multifamily rental housing and set aside the greater of 20% of the total units or 15 units for a qualifying Special Needs population.
- Projects Without Tax Credit Financing: Projects that do not propose using tax credit financing must set aside at least 20% of the total units for permanent multifamily rental housing reserved for a qualifying Special Needs population and request at least \$1,000,000 in capital funds.

All eligible project types must meet the following requirements:

- Projects must be located entirely within Los Angeles County.
- For projects developed on land owned by or formerly owned by the LACDA or the 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. 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 California Tax Credit Allocation Committee regulations.
- ✧ Provide new affordable units to the housing stock. Projects with existing affordability covenants are not eligible 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 that are only seeking PBVASH Vouchers may be in predevelopment or be completed (but not in construction, per regulations).
- Projects must adhere to the County's local and targeted worker 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 projects in jurisdictions with their own Continuum of Care.

Target Special Needs Populations

- Homeless Households
- Homeless Seniors
- Chronically Homeless
- Homeless Veterans
- Homeless Living With a Mental Illness
- Persons Living With HIV / AIDS
- Persons With Intellectual and Developmental Disabilities
- Transition Age Youth
- Survivors of Domestic Violence/Human Trafficking

Affordability Requirements

- Units must be restricted to households earning at or below 30% of the Area Median Income (AMI). Income targeting may be as high as 35% AMI with reasonable justification provided by the applicant and approved by the LACDA.
- Units assisted by PBVASH Vouchers may target residents with incomes up to 50% AMI.

Funding and Geographic Restrictions

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

Maximum Funding Per Project:

- Projects located in unincorporated Los Angeles County: \$7 million
- Projects located in jurisdictions outside of the City of Los Angeles: \$5 million
- Projects located in the City of Los Angeles: \$3 million

CAPITAL FUND SUBSIDY LIMITS	
Number of Bedrooms	Maximum Per Unit Subsidy
Studio	\$140,000
1	\$150,000
2+*	\$160,000

*Projects proposing 3-bedroom units or larger for special needs populations must receive LACDA approval.

RENTAL ASSISTANCE			
Type of Funds	Target Population	Eligible Geography	Maximum Subsidy Per Unit
PBVs	Special Needs up to 30% AMI	Unincorporated Los Angeles County or Participating Jurisdiction*	As specified by LACDA Section 8 payment standards
PBVASH Vouchers	Homeless veterans & their families up to 50% AMI		

*The LACDA will consider providing PBVs for projects in jurisdictions in which the local Housing Authority has reached the statutory cap for PBVs. A letter from the Housing Authority confirming this status will be required and the local Housing Authority will need to enter into a Memorandum of Understanding with the LACDA.

Key Threshold Requirements

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

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 that have been in operation for at least three (3) years.
- 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 not covered by the Los Angeles County Health Agency or the U.S. Department of Veterans Affairs.
- 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 one (1) LACDA-funded affordable multifamily rental housing project of the type currently being proposed (new construction or rehabilitation).
- 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 20 years and elements of the cash flow statement must adhere to the LACDA's underwriting guidelines.
- Affordability: All units funded by the LACDA must target households earning at or below

30% of AMI for Special Needs, or at or below 50% of AMI for PBVASH units.

Key Technical Scoring Categories

Funding for NOFA 28 was enabled through the County's administration of American Rescue Plan Act (ARPA) funds, therefore, applications will be scored in two tiers. Tier 1 will be for projects located in jurisdictions that did not receive a direct allocation of American Rescue Plan Act (ARPA) funds from the federal government. Tier 2 will be for projects located in jurisdictions that received ARPA funds. Funds will be prioritized for Tier 1 projects. Tier 2 projects will be considered for funding if sufficient funds remain after Tier 1 projects have been awarded. Applicants can use the [NOFA 28 map](#) to identify the tier of their project.

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 Rental Subsidy: Ratio of Special Needs units with a committed rental 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 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).
 - Equity Points: Additional points are available for developers, managing general partners, property management companies, and architects with an active Los Angeles County LSBE, DVBE, SE, or CBE business certification. Certification information is available here <https://www.lacda.org/affordable-housing/multifamily-rental-housing-nofa>.
- 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.
- 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) Jurisdictions outside of the City of Los Angeles.
- Equity Layers: Points will be awarded to projects based on their location relative to the County's COVID-19 Vulnerability & Recovery Index, Tenant Vulnerability Index, and Concentrated Disadvantage Index. To identify your project's location, use this map <https://lacounty.maps.arcgis.com/apps/instant/lookup/index.html?appid=cd056f15b89c4>

[6829393c3617c565244](#).

- Readiness: Projects that exhibit readiness to start construction, based on funding, entitlements, and permit status.
- AHSC Participation: Points will be awarded to projects selected by the County's Affordable Housing and Sustainable Communities (AHSC) workgroup. Applicants are encouraged to learn more about the AHSC program, information is available here <https://www.lacda.org/affordable-housing/multifamily-rental-housing-nofa>.
- LACDA/County-owned land: Points will be awarded to projects that are located on land owned by the LACDA or County of Los Angeles.
- Tangible County Support: Points will be awarded to projects that received capital funding from a County agency.
- Units Produced: Points will be awarded based on the number of units produced.

Funding under this NOFA will be awarded on a competitive basis and the ability to meet County housing goals. 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.