



# Affordable Housing Managed Pipeline Bidders' Conference

Wednesday, April 21, 2021

# AGENDA



1. Assistant General Manager Remarks
2. Available Funding Sources
3. Major Changes Summary
4. Scoring Rubric
5. Selection Process
6. Timeline
7. Questions & Answers

# Assistant General Manager Remarks



- **Housing Production Update**
- **Introduction to Team**
- **AHMP Available Funds**

# Development & Finance Production



## Predevelopment

- AHMP/ 173 Units
- Prop HHH / 3,748 Units
- Prop HHH Challenge / 677 Units
- Bond Only/ 426 Units
- **TOTAL 5,024**

## In-Construction

- AHMP/ 850 Units
- Prop HHH/ 2,944 Units
- Prop HHH Challenge/ 49 Units
- Bond Only /323 Units
- **TOTAL 4,166**

## In-Service

- AHMP/ 1,065 Units
- Prop HHH/ 613 Units
- Prop HHH Challenge/ 0 units
- Bond Only / 522 Units
- **TOTAL 2,200**

# Housing Development Bureau



## **Ed Gipson DEVELOPMENT & FINANCE DIVISION**

- Affordable Housing Managed Pipeline
- Proposition HHH
- Municipal Bonds
- Preservation
- Planning & Land Use
- Construction Services
- Environmental Review

## **Doug Swoger ASSET MANAGEMENT DIVISION**

- Loan Portfolio
- Occupancy Monitoring & Covenants
- AcHP Policy

## **Magdalena Zakaryan HOUSING STRATEGIES & SERVICES DIVISION**

- Housing Strategies
- Healthy Homes
- Specialized Homeownership

# Available Funding



Source	2020-21	2022 R 1	Total
AHMP-HOME	\$ 42,925,000	\$ 11,000,000	\$ 53,925,000
AHMP-HOPWA	\$ 3,041,645	\$ -	\$ 3,041,645
AHMP-Linkage Fee	\$ 13,352,340	\$ 4,500,000	\$ 17,852,340
City- SB 2	\$ -	\$ 5,700,000	\$ 5,700,000
TOTAL	\$ 59,318,985	\$ 21,200,000	\$ 80,518,985

# Affordable Housing Managed Pipeline Unit



**Tim Elliott**  
Manager

**Yaneli Ruiz**  
AHMP  
Programs

**Georgina Tamayo**  
AHMP  
Projects

**Danielle Thompson**  
Preservation/  
At-risk

# Timeline



- February 2, 2021 – Draft regulations published
- February 10, 2021 – Stakeholders meeting
  - Over 180 attendees / Over 140 comments, questions, suggestions received
- March 10- April 6, 2021 – Question and Answers posted
- April 6, 2021 – City Council approval to release Final Regulations and Open NOFA

4/9/2021 - Open NOFA Application

5/10/2021 - Applications Due

6/01/2021 - Appeals period

6/22/2021 - Final Recommendations published

7/01/2021 - CTCAC Application 2021 Round 2

# Summary of Major Changes



- ☐ **Production Goals**
- ☐ **Accessibility Requirements**
- ☐ **Average Targeting**
- ☐ **Geographic Distribution**
- ☐ **Maximum HCIDLA Subsidy Limits**
- ☐ **Maximum Number of Projects Per Developer**
- ☐ **New/Additional Threshold Requirements**
- ☐ **Pet Policies**
- ☐ **Revised Scoring Rubric**

# Production Goals



**Projects that pass threshold will be ranked according to total score, and then be selected in the following order, subject to available funds and 9% LIHTCs that are available from two TCAC rounds:**

- i. Highest scoring supportive housing projects, up to **250** units;
- ii. Highest scoring large family projects, up to **400** units;
- iii. Highest scoring seniors projects, up to **50** units;
- iv. Highest scoring at-risk/ preservation projects, up to **100** units;
- v. Once goals are met, and if HCIDLA funds are still available, HCIDLA will continue to select the highest scoring project in each category above, including 4%/ bond projects, until available funds have been exhausted. If not enough demand for the above goals, HCIDLA will consider other types of applications based on score.

# Accessibility Requirements



- Updated requirement: 4% of the total units must be accessible to persons with sensory impairments and 11% to persons with mobility impairments; If other funding sources have different requirements, HCIDLA shall use the most restrictive;
- Projects with supportive housing units shall have supportive service plans with detailed outreach plans for each proposed population, a staffing plan, and budget. For ACHP units, a plan to incorporate the Coordinated Entry System, and the HCIDLA's Affordable and Accessible Housing Registry in leasing to persons needing accessibility improvements;
- Addition of a new scoring category to incorporate the new Enhanced Accessibility Program.

# Average Income Targeting



- 9%-LIHTC projects that include units at greater than 60% of AMI shall have an average targeting that does not exceed **50%** of AMI;
- 4%-LIHTC projects that include units at greater than 60% of AMI shall have an average targeting that does not exceed **60%** of AMI;
- Units funded by HOME Funds shall be at 60% of AMI or below;
- Units funded by Linkage Fee Funds shall be no greater than 80% of AMI.

# Geographic Distribution



In late 2017, the City of Los Angeles adopted the Assessment of Fair Housing Plan. The HCIDLA is following the recommendations in the plan as a way of promoting the City's goal to provide for an equitable distribution of affordable housing on a citywide basis.

- New scoring category awards points to projects located within either:
- City's Transit Oriented Communities program or
- TCAC's Highest and High Opportunity Area;
- Extra point if located within both.

# Maximum HCIDLA Subsidy Limits



Maximum Loan limits have been clarified; Special Needs Projects are included in the middle column

	<b>9% - Fam/Sr Projects</b>	<b>9% Supportive Hsng &amp; Sp. Needs Projects; 9% ELI*</b>	<b>4%-Bonds Projects</b>
<b>0 Bedroom</b>	\$87,843	\$105,000	\$140,000
<b>1 Bedroom</b>	\$96,978	\$112,875	\$140,000
<b>2 Bedroom</b>	\$107,478	\$120,750	\$140,000
<b>3+ Bedroom</b>	\$112,728	\$126,800	\$140,000

\* Available only to Incentivized ELI units, see Scoring rubric;

➤ Maximum loan per project is the lesser of \$14M or 50% of TDC at loan closing.

# Maximum Number of Projects Per Developer



- The maximum number of developments one entity, or its subsidiary(ies) can participate in as a developer / owner / general partner at any one time is: **seven (7).**
- **This limit only applies to developments that are directly funded with resources from the HCIDLA programs, e.g. funds from HOME, Prop HHH (including Challenge), Linkage fee, SB 2, etc.**
- Of the 7 projects, a maximum of **four (4) can be in pre-construction** and maximum of **five (5) can be in construction and/or up to “Ready for Occupancy” as evidenced by Temporary Certificate of Occupancy.**

# New / Additional Threshold Requirements



- **Minimum equity requirements** - A minimum of 20% equity (i.e 20% of the Total Development Cost), monetary and non-monetary is required for all projects, of which half could be contributed land value.
- **Compliance with Accessible Housing Program** - Covered Housing Projects of the Accessible Housing Program that are owned by the applicants, the applicants' partners, or in which the applicants' principals have a vested interest must be in certified or substantial compliance with the Accessible Housing Program;
- **Cost Estimating Requirements on Construction Costs** - A construction cost estimate is required at the time of application. All construction cost estimates shall be prepared by a third-party licensed general contractor or a third-party construction cost estimating firm.

# Pet Policies



In August 2019, the City Council adopted Ordinance No 186228 to allow tenants to possess pets in publicly- financed residential rental housing developments.

- HCIDLA drafted the policies in coordination with the Los Angeles Animal Services and Los Angeles County Development Authority and Department of Animal Services;
- Pet Policies have been posted to the AHMP website

# Other Highlights



- **Article 34 Authority**

Applicants are highly encouraged to contact the HCIDLA Housing Development Bureau prior to the NOFA application deadline to confirm the availability of Article 34 Authority in the Council District where the project is located.

Contact information is referenced in the regulations or you may email [lahd.article34@lacity.org](mailto:lahd.article34@lacity.org)

# OVERALL - Revised Scoring Rubric (Summary)



SCORING SUMMARY COMPETITIVE CRITERIA	
Category	Maximum Points
<b>Financial Efficiency (25 Points)</b>	
1. Readiness A. Entitlements i. LADCP or LADBS approval (4 points); or ii. Affordable Housing Referral form has been submitted to LADCP (2 points); B. Competitiveness – Project will attain the maximum CTCAC points (2 points); C. Relocation – Project will not require relocation (4 points); or “10% Relocation” – (2 points)	10 Points
2. Leverage - Committed Funds (15 points)	15 Points
<b>General Partner, Management Company, and Borrowing Entity Characteristics (29 Points)</b>	
1. General Partner Experience;	12 Points
2. Property Manager Experience;	7 Points
3. Borrowing Entity is a CHDO.	10 Points

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1. General Partner Experience;	12 Points
2. Property Manager Experience;	7 Points
3. Borrowing Entity is a CHDO.	10 Points
<b>Other Policy Objectives (36 Points)</b>	
1. Geographic Distribution A. Project site is within TOC i. TOC Tier 4 or TOC Tier 3 (5 points); ii. TOC Tier 2 or TOC Tier 1 (3 points); or, B. Project site is within the Highest or High Resource Area (5 points) C. Project site is located in both TOC Tier 4 or Tier 3, and Highest or High Resource Area (1 point)	6 Points
2. Extremely Low-Income units within development project that is not proposing Project-Based Vouchers;	10 Points
3. Site Efficiency – New Construction with 100 or more units per acre;	5 Points
4. Cost Efficiency – Adjusted TDC/unit vs Average TDC/unit.	15 Points
<b>Sub-total possible points before bonus points</b>	<b>90 Points</b>
<b>Bonus – Enhanced Accessibility Program points</b>	<b>10 Points</b>
<b>TOTAL POSSIBLE POINTS</b>	<b>100 Points</b>

# Revised Scoring Rubric



## **FINANCIAL EFFICIENCY – maximum 25 points**

### **Readiness – maximum 10 points**

#### **A. Entitlements:**

- i. Projects that have evidence from LADCP or LADBS that all necessary applications have been approved; and no additional discretionary approvals are required and project will secure required entitlements by the proposed TCAC application date = 4 points; **or**
- ii. Evidence from LADCP that the Affordable Housing Referral Form has been submitted or evidence from LADBS that the Affordable Housing Section Approval Process application has been submitted = 2 points;

#### **B. Competitiveness:**

Submitted proof that the project will attain maximum points under TCAC scoring system, which includes site amenities, service amenities and affordability matrix = 2 points;

#### **C. Relocation:**

- i. The project will not require permanent relocation of residential tenants = 4 points;
- ii. Relocation of 10% or less, of the total new units = 2 points.

# Revised Scoring Rubric, continued



## **FINANCIAL EFFICIENCY, continued:**

### **Leverage - Committed Funds: maximum 15 points**

Points shall be awarded based on ratio of the Total Committed Soft and/or Private Funds (Total Committed Funds) to the project's Total Development Costs. Private funds shall not include amortized permanent loans from conventional lenders. Tranche B loans without committed Section 8 vouchers or operating subsidies shall not be considered for awarding points.

To calculate the points, HCIDLA shall divide the Total Committed Funds by the Total Development Costs and award half (1/2) point for every one percent (1%) of Total Committed Funds versus the Total Development Costs. The ratio shall be rounded down to the nearest whole percentage.

Example: Total Committed Funds (TCF) = \$5,000,000  
Total Development Costs (TDC) = \$31,250,000  
 $TCF \div TDC = 5,000,000 / 31,250,000 = 16\%$   
 $16 \times 0.5 \text{ point} = \mathbf{8 \text{ points}}$

# Revised Scoring Rubric, continued



## Leverage - Committed Funds, continued –

- The land value of donated publicly-owned land shall be considered as committed funds;
- If the land will be donated through a seller's note, the term of the seller's note must have the same terms as the "soft" loans; if the terms of the land purchase include requirements or restrictions that are not part of the conditions of zoning requirements, e.g. replacement parking, the value of the land shall be reduced by the costs that are associated with those requirements;
- The land value of a donated privately-owned land shall be considered as committed funds, but the donor of the land must be an unrelated third-party; for partial land donations, at least 50% of the land value must be donated to the project;
- For donations involving leasehold estates, HCIDLA will accept the property's "Below Market Value" of the Ground Lease (BMV) as the committed funds. BMV shall be further reduced by the aggregate amount of any land lease rent and/or residual receipts payments over the initial lease term;
- All land values in all cases above must be supported by an "As-Is" appraisal

# Revised Scoring Rubric



## **General Partner Experience – maximum 12 points**

- Projects must be in existence for more than 3 years; must have a “Key Person” i.e. Executive Director, Housing Director in the GP organization, or an equivalent position that meets the satisfaction of HCIDLA.

The projects in operation which are used to garner points under this subsection must be compliant under the HCIDLA Business Policy, within the last ten (10) years from the AHMP NOFA deadline.

## **Management Company Experience – maximum 7 points**

The projects in operation which are used to garner points under this subsection must be compliant under the HCIDLA Business Policy, within the last ten (10) years from the AHMP NOFA deadline.

# Revised Scoring Rubric



## EXPERIENCE, continued:

### **Certified Community Housing Development Organization (CHDO) – maximum 10 points**

To be awarded 10 points under this criterion, the General Partner in the partnership and the developer, **both**, must be certified as a CHDO by the HCIDLA; if application for CHDO certification has been submitted, but is pending approval, HCID will allow 60 days post AHMP NOFA application for an entity to get certified.

# Revised Scoring Rubric



## Geographic Distribution – maximum 6 points

- A. Project sites that are within the Transit Oriented Communities (TOC) as verified in the Los Angeles City's Zone Information Map Access System (ZIMAS) or through a verification by the Los Angeles Department of City Planning, shall receive the following points. HCIDLA shall consider the project's TOC designation/verification as of the date of the application deadline:  
TOC Tier 4 / TOC Tier 3 = 5 points; TOC Tier 2 / TOC Tier 1 = 3 points;  
or
- B. Project sites that are within CTCAC's Highest or High Resource Area shall receive 5 points:  
and
- C. One (1) point for project sites which are located in both a City TOC Tier 4 or Tier 3 **and** a Highest or High Resource Area.

# Revised Scoring Rubric



## **OTHER POLICY OBJECTIVES, continued:**

### **Extremely Low-Income Units – maximum 10 points**

- Points shall be awarded for projects with ELI units that are above the minimum CTCAC 10% ELI;
- HCIDLA shall award One (1) point for each 1% above the initial 10% minimum ELI units, up to maximum ten (10) points;
- The percentage shall be rounded down to the nearest whole percentage.
- Applications that are proposing PBVs or operating subsidies shall not be awarded points under this category;
- All applications must demonstrate financial feasibility without project-based vouchers with reasonable assumptions, i.e., reasonable incomes from the target populations.

# Revised Scoring Rubric



## Extremely Low-Income Units, continued

A Special Needs project may qualify for points under this category if all of these conditions are satisfied:

- The project is not proposing PBVs or operating subsidy;
- Must meet the definition of Special Needs (at least 45% of total units targeting Special Needs population);
- Must meet the CTCAC average income requirement (i.e. Average income of 50% of AMI for 9% LIHTC, and 60% of AMI for 4% LIHTC).

# Revised Scoring Rubric



## **OTHER POLICY OBJECTIVES, continued:**

### **Site Efficiency – maximum 5 points**

Affordable new construction housing developments with one-hundred (100) or more total units per acre shall receive five (5) points

# Revised Scoring Rubric



## OTHER POLICY OBJECTIVES , continued:

### Cost Efficiency – maximum 15 points

- Points shall be awarded to projects whose Adjusted Total Development Cost Per Unit is lower than the Average Total Development Cost (TDC) Per Unit of the HCIDLA data set.  
*As of April 9, 2021, the Average TDC/ Unit is estimated at \$589,510;*
- One point shall be awarded for every 1% that the project's Adjusted Total Development Cost Per Unit is below the Average Total Development Cost Per Unit. The percentage shall be rounded down to the nearest whole percentage;
- Adjusted Total Development Cost is calculated by subtracting the following from the project's Total Development Costs: 1) developer fees, contributed as equity to the project, that are in excess of respective amounts in accordance with contribution thresholds as specified in Sections 10327(c)(2)(B) of the CTCAC Regulations, and/or 2) any non-residential costs that are associated with items required by the City, e.g. replacement parking, etc., up to up to \$40K per residential unit.

# Revised Scoring Rubric



## OTHER POLICY OBJECTIVES, continued:

### **Bonus Points under Enhanced Accessibility Program – maximum 10 points**

Bonus points will be awarded to projects which elect to participate in the Enhanced Accessibility Program (EAP). Developers who commit to participating in the EAP receive extra points in the evaluation of their NOFA application. Architectural plans identifying the EAP design elements will be required at application. In order to receive the bonus points, which will be awarded in total or not at all, the developer will be required to incorporate:

- All of the enhanced accessibility design elements identified in Part 1, Table 1A, **and**
- Table 1B or Table 1C, **plus**
- Five of the optional design elements identified in Table 2

*Full copy of the Enhanced Accessibility Program is posted online as part of the Regulations*



## Q & A

*(During the zoom meeting, to ask a question,  
please click the “Raise your hand” button in Zoom)*

Written questions may also  
be submitted to: [lahd-nofa@lacity.org](mailto:lahd-nofa@lacity.org)  
Deadline to submit questions is 4/30/2021.

**Responses to questions will be posted online.**

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**THANK YOU and  
GOOD LUCK!**





The Los Angeles Housing + Community Investment Department (HCIDLA) is posting the following Questions and Answers (**Q & A – Set 1**) regarding the 2021 Affordable Housing Managed Pipeline Bidder's Conference. The Bidder's Conference presentation can be found online at <https://housing.lacity.org/partners/affordable-housing-managed-pipeline>.

**AHMP - Bidder's Q&A – Part 1 (05-04-2021)**

	Section	Question	Answer
<b>SECTION 1 - GENERAL PROVISIONS</b>			
1	Section 1.1 Funds Available and AHMP Master Calendar	The presentation at the bidders' conference showed \$3,041,645 in HOPWA funding. Is there any guidance in applying for those funds? Are those funds for City of LA only? Our understanding is that HCID administers HOPWA for all of Los Angeles County.	The available funds presented as part of the NOFA consist of several sources, including HOPWA funds. HCIDLA reserves the right to allocate a funding source that best fits the project details and the target population.
2	Section 1.3 Funding Awards and Admittance Terms	Will you accept projects going into the CTCAC 2022 Round 2 round?	The current NOFA is authorized to procure for projects applying in the 2021 Round 2 and 2022 Round 1.
3	Section 1.5 Eligible Projects	We have TOC projects that are not tax credit deals. Are there any funds available if we entered the pipeline for buying down beyond the 10% affordable that we're providing in these to TOCs? The TOC requires that 10% of the units be affordable. We've done lots of tax credit deals, this is we're looking at doing just as market rate with the 10%, but would be open to buying those rents down deeper or adding more if there are some funds available to offset some of those long term costs. In the past we went to the RDAs before they were disbanded with what we call the Index Housing Solutions and discussed doing market rate deals that would have a component of affordable using the subsidy they would otherwise provide for in the tax credits. And it was coming along. We were doing a couple of projects when the RDAs were taken back by the state, so we've not done anything with it, since. But we do have a couple of potential Transit Oriented Communities or developments that will have a 10%. It will be market rate and we're just asking first of all, if we asked for some funds	HCIDLA awards funds through the AHMP NOFA. All projects must meet the threshold requirements and will be scored and ranked according to the regulations.

	Section	Question	Answer
		from the City, would we then need to be put into the Pipeline at the back end? Otherwise, if there are some funds available that we could go into the Pipeline we'd be glad to buy down more of the units.	
4	Section 1.5	Rent for affordable units is required to be set at 10% below market rents in that neighborhood. Is documentation that the project meets this requirement needed in the AHMP application or can it be provided after the application date?	Below-market rents shall be established by an appraisal or by a market study. If already submitting an appraisal at the time of application, a market study is not required at application.
5	Section 1.5	Will Linkage fee only be used for units over 60% AMI?	Per Section 1.5, for units that are targeted at greater than 60% but not greater than 80% of AMI, HCIDLA may use Linkage Fee or other non-federal funds, subject to availability of these funds.
6	Section 1.6 Permanent Supportive Housing Projects  Section 1.10.7 Leasing Preference and Relocate/Displaced Tenants	Is a project that has 2-Bedroom units at 30% AMI that is not seeking PBVs required to submit a letter from LAHSA confirming they can provide a sufficient number of referrals through the Family Coordinated Entry System?	Section 1.6 requires Permanent Supportive Housing projects seeking to include units with two or more bedrooms to submit written evidence from LAHSA. In addition, per Section 1.10.7- Projects that are not Permanent Supportive Housing Projects may request to use coordinated entry or similar system to serve the homeless, subject to the discretion and approval of HCIDLA. Non- PSH projects do not need to provide a letter from LAHSA.
7	Section 1.6 Permanent Supportive Housing Projects	Do you require a letter from LAHSA for projects with two-bedroom units and I just want to clarify that that letter if you're not permanent supportive housing, as defined in the NOFA. I think the NOFA defines permanent supportive housing is 50% so that's good clarification.	Same as above
<b>SECTION 2 THRESHOLD REQUIREMENTS</b>			
8	Section 2.1 Leverage Source Application	I wanted to clarify that HCIDLA will not need the full AHSC workbook and it's just this questionnaire that's listed as 2.14?	CLARIFICATION- Section 2.1 states that projects proposing AHSC funds shall submit a completed Supplemental AHSC Application Questionnaire and not a full workbook, and submitted as

	Section	Question	Answer
			Attachment 2.1(4).
9	Section 2.1	Is the supplemental AHSC questionnaire only for projects which are applying for AHSC funding? Or is the questionnaire required for all projects?	Same as above
10	Section 2.2.2 Proof of Voluntary Acquisition	Regarding proof of voluntary acquisition: we have an executed ENA with the City. The NOFA guidelines said for properties that were required via ground lease from an agency with the powers of eminent domain, acquisition information from the agency will be required prior to loan closing. What specifically do we need to get from HCIDLA? What would we specifically have to do to get that?	The Voluntary Acquisition Letter should follow the same guidelines as the other applications. The applicant shall address the letter to the agency that is the current owner and who is entering into the acquisition documents.
11	Section 2.4 Maximum Proposed HCIDLA Contributions	What are the maximum per unit subsidy amounts for non-tax credit PSH projects?	Non-LIHTC project shall use the 9% columns. Non- LIHTC- Supportive Housing/ Special Needs shall use the middle column, while Non-LIHTC Family or Senior shall use the first column.
12	Section 2.4	<p>We have a project that is going to be an AHSC project. We were told that we need to go separately to the Managed Pipeline if we wanted any financing to that. Is that your understanding?</p> <p>If we ultimately decide that we don't need any money from the Managed Pipeline if we're able to get some other resources in there, what would happen then, do we just drop out?</p>	<p>Yes, if a project is requesting direct funds from HCIDLA, the project must apply to the managed pipeline.</p> <p>You can apply, but if you decide you're not interested in continuing or pursuing admittance into the pipeline for funds or for 9% credits, then you can withdraw your application.</p>
13	Section 2.4	I have questions about funding. I'm not sure I'm reading the table correctly: Is the \$80 million available for this NOFA or is it showing how much money the City generally had available for housing? There's columns for 2020, 2021 and 2022. If this is for this NOFA, are you saying the money will be committed to projects, that \$59 million for projects that are going to Round 2 this year and \$21	The current NOFA will admit projects slated to apply for TCAC 2021 Round 2 and 2022 Round 1. The published NOFA budget will be used to fund projects admitted into this NOFA.

	Section	Question	Answer
		<p>million going to the CTCAC next round next year, or are these two columns not related?</p> <p>And I'm curious about the injunction that just got released, and if that will impact the funding availability or commitments.</p> <p>So you're not necessarily committing \$59 million just to Round 2; it's fundable for two rounds for a total of \$80 million?</p>	
14	Section 2.6 Maximum Number of Projects Per Developer	You have certain rules about how many projects you can have in the HCID envelope at any one time and I think there was an exception for AHSC projects, but if we're also in the Managed Pipeline, is that going to count towards our 7 projects?	The maximum number limit applies to developments that are directly funded with resources from the HCIDLA programs, e.g. funds from HOME, Prop HHH, Linkage fee, SB 2, etc. Developments which do not involve direct HCIDLA funding, such as tax-exempt bonds, or State funds such as AHSC or Infill, will not count towards the maximum limit.
15	Section 2.8 Minimum Level of Equity	Can you please advise if the new equity requirement for AHMP includes LIHTC, or if that is intended to be developer or outside equity?	A minimum of 20% equity (i.e. 20% of the Total Development Cost), monetary and non-monetary, is required for all projects, of which half could be contributed land value. LIHTC is a form of equity.
16	Section 2.12.1 Appraisal	<p>I have a site that currently has structures on the land, but a condition to closing is for the seller to demolish and remove the buildings. Do I still need an As-Is appraisal or can I submit an As-If-Vacant appraisal?</p> <p>I would be showing my As-If-Vacant value because I won't be doing any of the demolition myself.</p>	Section 2.12.1 states HCIDLA shall not accept a property valuation based on "highest and best use" or "as-built" appraisal. HCIDLA will accept the appraisal that can be verified by an appraisal, as long as it is not based on proposed development. Additionally, Section 3.7.1 states the maximum allowable purchase price is the lower of either the purchase price of the property or the as-is appraised value as evidenced by an appraisal.
17	Section 2.12.2 Phase I Environment I	For those of us with sites tied up and waiting for final regulations to understand whether our site is going to be competitive or not, and whether the site is worth pursuing	Section 2.12.2 states applicant must include a cost estimate for any required remediation as indicated in a Phase II report. Therefore, a Phase

	Section	Question	Answer
	Assessment or Phase I with Required Phase II	further, I don't think there is enough time in the application timeline to complete a Phase I report and a Phase II report. Phase I reports are taking 4-6 weeks (due to COVID slowing down record searches with public agencies) and Phase II reports also take a minimum of 4 weeks. That means developers can't complete the environmental reports in time to submit, unless they happen to already have a recent Phase I and Phase II report done. Please consider allowing us to submit the Phase II after receiving a commitment, similar to the deferral of the Soils Report that is permitted under the regulations.	I, and, if applicable, a Phase II shall be included in the application.
18	Section 2.12.2	For supplemental documents, you require a technical memo as a cover page for Phase 1 and Phase 2 if they're older than 180 days, and it needs to come from an independent party. Does "independent" mean from the applicant or from the licensed person who put together the Phase 1 and Phase 2?	If the Phase I and/or Phase II reports were completed, but the completion date is more than six months prior to the application date, a technical memorandum from an independent consultant is required confirming that the findings and conditions as indicated in the report are still the same. The memorandum must be from an independent consultant.
19	Section 2.25 Construction Cost Estimating Requirements	Can you confirm the GC can both sign and certify the cost estimate? Also, please approve the certification language: "I ____ (print first and last name) certify that this cost estimate is accurate per drawings provided and reasonable per available construction labor and material costs."	If the GC is a third-party and not part of a vertically integrated entity, yes, the GC can sign and certify. Per Section 2.25, the certification language shall state at minimum. The construction cost estimate shall include a certification affirming that the project's scope and construction costs are within the stated budget, and that the construction cost estimate of the project is accurate. The certification shall state the same.
<b>SECTION 3 UNDERWRITING, COST AND PRICING GUIDELINES</b>			
20	Section 3.5 Developer Fee	Section 3.5 Developer Fee says that a project may not reflect or pay out a deferred developer fee beyond the balance owed on the \$2.5 million of fee. Does this mean	Notwithstanding the CTCAC developer fee maximums, the maximum developer fee that may be paid out of development funding sources is

	Section	Question	Answer
		that a budget may only reflect a \$2.5 million total developer fee, even if it is allowed under CTCAC guidelines?	\$2,200,000 for 9% LIHTC applications and \$2,500,000 for 4% LIHTC applications. In 4% LIHTC-structured projects, the balance of a higher earned developer fee permissible under CTCAC's Section 10327(c)(2)(B) must be offset by a capital contribution of an equal amount to defray the development costs associated with the project.
21	Section 3.5	What's the maximum developer fee? When are the developer fees available to be paid (e.g. at what milestones)?	Maximum developer fee as well as developer fee payment timeline is described in Section 3.5.
22	Section 3.7.8 Utility Allowance	Will HCID LA require applicants to AHMP to submit Energy Model?	An energy model is not required at the time of application.
23	Section 3.7.8	CUAC instead of a utility allowance, will a CUAC submittal need to be included in the AHMP application?	A CUAC certification is not required at the time of application.
<b>SECTION 5 SELECTION CRITERIA</b>			
24	Section 5.1.2 Leverage of Committed Funding Sources	<p>If we're submitting the AHSC workbook and we're selected by HCID to co-apply for AHSC Round 6 in June, then can we count those AHSC funds as "committed" in our leveraging scoring section 2.15?</p> <p>I see that we are not permitted to count a commitment letter for a Perm loan as "committed funding." Does that mean we also can't count the commitment letter to purchase tax credits that have not yet been awarded?</p>	No, funds have to be committed at the time of application to count towards Committed Funding Sources under the scoring criteria.
25	Section 5.1.2	If projects are assuming funding from Measure H for supportive services, is a commitment letter required at application?	For scoring purposes, only commitments from HACLA will be considered for Tranche B loan commitments.
26	Section 5.1.2	Attachment 5.1.3 (committed funding, referenced on NOFA page 46) appears to be missing. Is it available?	CORRECTION- Scoring Section 5.1.2 requires permanent financing to be submitted as Attachment 5.1.3. Instead, permanent financing commitments should be submitted as Attachment

	Section	Question	Answer
			5.1.2.
27	Section 5.2.1 General Partner Experience	<p>We are requesting clarification of Section 5.2.1 of the HCID regulations which states that in order to receive maximum general partner experience points, the proposed general partner AND a key person within the proposed organization meet certain conditions- see excerpt below:</p> <p>To receive points under this subsection for projects in existence for over 3 years, the proposed general partners, and a Key Person within the proposed general partner organization, must meet the following conditions. For this subsection, a “Key Person” is defined as an Executive Director or a Housing Director in the general partner organization, or an equivalent position that meets the satisfaction of HCIDLA. Applicants shall submit a resume or curriculum vitae of the Key Person with the application</p> <p>We note that this formulation does not track the language in Section 10325 of TCAC regulations which uses the same language but replaces the word “and” with “or”</p> <p>(A) General partner experience. To receive points under this subsection for projects in existence for over 3 years, a proposed general partner, or a key person within the proposed general partner organization, must meet the following conditions:</p> <p>I. For projects in operation for over three years, submit a certification from a</p> <p>For administrative and policy reasons, we believe the language in the HCID regulations should track the language in the TCAC regulations and that the word “and” should be replaced with “or” in Section 5.2.1 of the HCID regulations. Given that many tax credit investors require that developers form single purpose entities to act as the general partner in each partnership, it would be very difficult (and cases where an investor requires an SPE GP, impossible) for the proposed general partner in a</p>	<p>The HCIDLA requires projects to meet TCAC regulations if they will be applying for LIHTC. However, HCIDLA may elect to impose further requirements. For this category, the requirement is to provide experience for <u>both</u> the general partner <u>and</u> a key person.</p>

	Section	Question	Answer
		partnership to demonstrate prior experience on its own --- in addition to the experience of a Key Person.	
28	Section 5.2.1	Are we required to show our final ownership structure at this point? Specifically can we have our MGP as a TBD or do we need to name our MGP at this point? Can that MGP change?	In order to receive points, the general partner must be named at the time of application. If the GP is changed, the project will be re-scored.
29	Section 5.2.3 CHDO certification	Can we still get 10 points after we submit the application for CHDO as long as it's within 60 days after the deadline?	In order to obtain points, the application must state the entity is applying for CHDO status and will receive points. However, if certification is not completed within 60 days, points may be deducted and application will be re-scored. If application falls below the admittance, we may need to move to the next winning application.
30	Section 5.3.4 Cost Efficiency	I was wondering if I can get a copy of the Average Total Development Cost (section 5.3.4)?	The average total development cost per unit is included in the Bidder's Conference presentation located on the website. Please visit the HCIDLA website <a href="https://housing.lacity.org/partners/affordable-housing-managed-pipeline">https://housing.lacity.org/partners/affordable-housing-managed-pipeline</a>
31	Section 5.3.4	We noticed in the latest Set 3 of Q&A it was indicated that HCID would publish the Average Total Development Cost at the time of the NOFA announcement. Cannot seem to find this number, is it still forthcoming or is the methodology all the information we should work from?	Please see above.
<b>Section 7 PROJECT READINESS</b>			
32	Section 7	All the items listed in Section 7 of project readiness, which includes formation documents, financial, property management, these are due with application, or at a later time?	Items in Section 7 are not required at application and will be required after a project is admitted.
33	Section 7.4.1 Accessibility	Do the architectural plans need to include the Consent language at the time of application?	No, Section 7.4.1 is not required at the time of application.

	Section	Question	Answer
	Certification Requirement		
34	Section 7.15 Supportive or Enhanced Services Plan	Is the supportive services plan for supportive housing units required at application or project readiness?	Section 7.15.1 was added per comments received after the draft guidelines were published. The Supportive Services plan for Supportive Housing units is not required at the time of application but will be required at project readiness if the project is admitted into the Pipeline.
35	Section 7.15	Are the supportive service and the property management plan due at application, but other items in Section 7 so that's why I guess a little confusing.	Please see above
36	Section 7.15	Does the supportive services plan need to be in a specific format, or can it be a narrative as long as it covers everything the NOFA is asking for?	The template and instructions are part of the Readiness phase. If a project is admitted, a supportive services plan template will be provided.
37	Section 7.15	I'm still not able to find the template for the supportive services, I think you may have mentioned there's one but I only found the PMP, as well as the architectural design exhibit. I found the requirements, but I didn't see a template or anything like that, if it exists.	Please see above.
<b>DOCUMENTS CHECKLIST</b>			
38	Ex 01- Part 4 Architectural Guidelines	Is the Architectural Certification required at the time of application?	No, Part 4 of Exh 01 is not required at the time of application.
39	Exh 01- Architectural Guidelines/ Conceptual Design submittal	Is there a template available for the Architectural Statement complying with Accessibility requirements?	Yes. Exh 01 includes an Accessibility Report Requirements & Procedures at the end; Page 1 includes Access Compliance Certification paragraph, which can be used by the architect.
40	Attachment 2.10 Site Photos for	Are there any guidelines on what kinds of site photos are needed (Att_2.10)?	Dated color photographs of the entire project site and all properties surrounding the project site. If

	Section	Question	Answer
	Environmental Review)		there are buildings on the site, all sides of the building(s) shall be included. If there are properties that appear to be historic within the boundaries or within a ½ mile radius of the site, then color photographs of these properties are also required.
41	Attachment 2.14 Affordable Housing Entitlement Self-Certification Form	If the project has full entitlements, including a Letter of Determination, do we need to submit these attachments as well?	A project's LADCP Letter of Determination can be submitted instead of Attachment 2.14
42	Attachment 2.14 Affordable Housing Entitlement Self-Certification Form	This section requires either Attch 2.14 or Attch 2.14(2), can we use LADCP form Qualified Permanent Supportive Housing (QPSH) - Referral Form instead?	Section 2.14 is asking for information that will demonstrate that the project as proposed will be able to meet all zoning and land use requirements. The QPSH Referral form includes similar information to the other two LADCP forms and therefore, yes, you may use the QPSH Referral form instead.
43	Attachment 5.2.2 management Company Experience and Letter of Interest from the Property Management Company	I wanted to clarify whether a LOI from the property mgmt. co. is still required - it's been struck from the actual regulatory language, but still listed in the attachment checklist. If so, is there particular information this should include?	Attachment 5.2.2 no longer requires an LOI from the proposed property management company. However, changes to the proposed property management company will result in a re-scoring of the project and may impact the project's admittance into the AHMP.
<b>OTHER</b>			
44	General	Also, when will the next round be released?	The timing for the next NOFA has not been determined.
45	General	If we are proposing a 4% application to CDLAC but aren't requiring any soft funds from HCIDLA, do we need to be submitting an application to the Managed Pipeline?	If you have a 4% LIHTC transaction, and you are not asking for any funds, then you need to contact the HCIDLA manager of the Bond Finance Unit,

	Section	Question	Answer
			Andre Perry at Andre.Perry@lacity.org. The HCIDLA is still responsible for all issuance of Tax-Exempt Bonds inside the City; therefore, please reach out to the Bond Unit so that we understand your timing and when you're trying to go, and that at least we can make sure there's space for you inside the pipeline on that side of the Bond transaction.
46	CA Surplus Land Act	Will the recent changes to the CA Surplus Land Act impact HCID-LA? = <a href="https://www.hcd.ca.gov/community-development/docs/sla_guidelines_final.pdf">https://www.hcd.ca.gov/community-development/docs/sla_guidelines_final.pdf</a>	The question seems to be a Land Development question at this time, not for the Managed Pipeline. Please reach out to our Land Development Unit if you have any City-owned site to see what the impact could possibly be.



The Los Angeles Housing + Community Investment Department (HCIDLA) is posting the following Questions and Answers (**Q & A - Set 2**) regarding the 2021 Affordable Housing Managed Pipeline Bidder's Conference. Please visit the HCIDLA AHMP [website](#) to find all related documents and future postings.

**AHMP - Bidder's Q&A list - Part 2 (05-05-2021)**

	Section	Question	Answer
1	General	Could you confirm that electronic signatures are acceptable for the various certification documents or do they need to be wet signatures?	Yes, to the fullest extent permitted by law, the City accepts electronic scanned signatures as legally binding and equivalent to wet/ manual signatures. Electronic signature is an electronic identifier, created by computer, attached or affixed to or logically associated with an electronic record, executed or adopted by a person with the intention of using it to have the same force and effect as the use of a manual signature.
2	Section 2.4 Maximum Proposed HCIDLA Contribution	Can we submit an application or actually two applications for a 9% portion and a 4% portion of a hybrid project? I'm presuming that by submitting it as two pieces that the maximum loan amount would apply for each piece.	HCIDLA considers hybrid projects as two simultaneous phases; one 9% phase and one 4% phase. One application should be submitted per phase. The HCIDLA AHMP program does not preclude hybrid projects from applying. Each phase will be scored and ranked separately. However for any hybrid project, the maximum HCIDLA loan limit is \$14 million or 50% of the Total Development Costs of the project based on final cost at the time of loan closing. For the purposes of developer fee calculation, HCIDLA will use the "Hybrid Project Guidance" of TCAC regulations. In addition, the developer must contribute as equity to one or more of the phases, any amount of the combined 4% and 9% developer fees in cost that are in excess of the 9% developer fee limit of \$2,200,000 as per Section 3.5 of the HCIDLA regulations.

	Section	Question	Answer
3	Section 2.4	Whether we're allowing a max of \$28 M (\$14M per deal) for a 9%/4% hybrid deal)	Please see above
4	Section 3.7.6 Wage Compliance	<p>Section 3.7.6 of the final regulations, are prevailing wages required for <b>9%</b> Projects with no soft financing and no other mechanisms that trigger State or Davis Bacon wages?</p> <p>It would be helpful to confirm HCID will not require prevailing wages on 9% projects with no soft funds, bonds or other mechanisms what would trigger prevailing wages. (supplemental question 4/30/21)</p>	<p>Section 3.7.6 states-</p> <p>Assuming HOME funds will be used as a funding source, all projects will be required to pay wages to laborers and mechanics at the Davis-Bacon wage rates, at minimum. However, any project funded in whole or in part with Community Redevelopment Agency (CRA/LA) or other State funds are subject to State Prevailing Wage Requirements.</p> <p>All projects located within the City of Los Angeles, including tax-exempt bond-financed projects, must pay wages to laborers and mechanics at either the Davis-Bacon wage rates or State of California prevailing wages, whichever are higher for each job classification.</p> <p>For both Davis-Bacon and State Prevailing Wage projects, the final wage decision to be employed will depend upon the height (number of stories) of the project. <b>Applicant/developer shall be responsible for complying with the applicable wage scale as determined by the City.</b></p> <p>Final wage decisions for wage compliance requirements will be determined by types of funding sources, number of units and height (stories) of building. Section 1720 of the California Labor Code requires payment of California State Prevailing Wages for certain projects. Applicants should consult with their legal counsel to determine which wage rate applies</p>
5	Section 5.1.1.A Entitlements	If we are doing a by-right project under state density bonus (including AB1763	Section 5.1.1 awards points based on the evidence provided at the time of application for project readiness regarding the project's entitlements. Exhibit 02 describes a "by-right" project as a

	Section	Question	Answer
		provisions), which has no referral form, will we get points under 5.1.1.A?	“ministerial development” according to City Planning. The exhibit also explains how to submit the housing forms to LADBS for ministerial projects.
6	Section 5.2.1 General Partner Experience	Would we be able to receive the General Partner experience points because the parent organization has the experience?	Section 5.2.1 states in order to receive points, the general partner and key person within the proposed general partner organization must have the required experience to receive points. In order to receive points, the parent company must be the proposed general partner and the general partner must have a key person as part of the organization.
7	Section 5.2.1	For key person experience, what role did the person need to play? Do the projects have had to be in operations for at least 3 years? Do the projects need to be with the current organization? If it's a former organization, do you need any certifications (positive cashflow, etc.)?	Section 5.2.1 defines “key person” as an Executive Director or a Housing Director in the general partner organization or an equivalent position that meets the satisfaction of HCIDLA. Please refer to Section 5.2.1 for full details.
8	Section 5.2.1	If a CHDO has limited experience but has paid staff and a nonprofit parent entity that both qualify for experience points, will experience points get awarded? If so, should the applicant submit two sets of all forms and documents...one for the CHDO, one for the parent nonprofit?	Section 5.2.1 states in order to receive points, the general partner and key person within the proposed general partner organization must have the required experience to receive points. In order to receive points, the CHDO must be the proposed general partner and the CHDO must have a key person as part of the organization.
9	Section 5.2.3 Certified Community Housing	Will we be able to receive the 10 CHDO points with the newly formed CHDO?	Section 5.2.3 states the General Partner in the partnership and the developer, <u>both</u> , must be certified as a CHDO. For joint ventures, all parties with the general partner and/or developer role must be CHDOs to qualify for 10 points.

	Section	Question	Answer
	Development Organization		
10	Section 5.6.6 Priority Order of LA City Goals	I understand that the 9% take precedence, but do the 4% also take precedence over non-LIHTCs or do the two types of projects compete on score?	Section 5.6.6 states all projects must meet all threshold requirements, as further described in the regulations. Only those projects that pass the minimum threshold review shall move forward on being ranked according to their total score as verified by the HCIDLA staff. Ranked projects shall be sorted according to their housing types, beginning with 1) supportive housing projects, then 2) large family projects, then 3) senior projects, then 4) at-risk/preservation projects, then 5) 4%-Bond projects, and then all others. Non-LIHTC are ranked and admitted as “all others”.
11	Section 5.6.6	The bidder’s conference referenced a waterfall and 9%, then 4%, are funded first, then non-tax-credit projects are funded. Irrespective of how well a non-LIHTC scores, it will only be funded if there are funds available after other allocations.	Please see above.