



The Los Angeles Housing Department (LAHD) is posting the following Questions and Answers (Q&A – Part 1) regarding the 2022 Affordable Housing Managed Pipeline Notice of Funding Availability. Additional information can be found online at <https://housing.lacity.org/partners/affordable-housing-managed-pipeline>.

**2022 AHMP – Notice of Funding Availability Q&A – Part 1 (10-04-2022)**

	Section	Question	Answer
<b>GENERAL QUESTIONS</b>			
1	General	Are projects awarded in 2022 in any way impacted by these changes?	2022 NOFA regulations are not retroactive and do not apply to projects admitted under previous NOFA's.
2	General	Is there a preference or requirement for wet signatures vs DocuSign?	There is no preference. 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.
3	General	Will there be any NOFAs for PBVs related to non-Home Key deals releasing this year?	Please visit the HACLA website for further information regarding PBV NOFAs. <a href="https://www.hacla.org/en/bocfiles">https://www.hacla.org/en/bocfiles</a>
4	General	In reviewing the guidelines, I did not see anywhere that it explicitly states to be considered an eligible project that the development site must be located in the City of Los Angeles. Can you please clarify what the development site boundaries are to be considered?	The first sentence of the first paragraph on page 1 of the AHMP Regulations states that "The City of Los Angeles' goal, through the Affordable Housing Managed Pipeline (AHMP), is to create affordable housing for low and very-low income households <b>within its boundaries.</b> "
<b>SECTION 1 - GENERAL PROVISIONS</b>			
5	1.12.2	What can be done for projects in districts where Article 34 is depleted?	Projects are encouraged to submit a request for Article 34 authority early so that issues, if there are any, can be addressed as soon as possible.
6	1.19	Are special needs projects considered for the geographic pool or just the SN and NP set asides?	No, per Section 1.19, projects must select a housing type which will be used for threshold, scoring and project selection.
<b>SECTION 2 - THRESHOLD REQUIREMENTS</b>			
7	2.25	One of the General Partners in our partnership is affiliated with a General Contractor who will be constructing the development; can the affiliated General Contractor provide the cost estimate or does the cost estimate have to come from an unaffiliated third party?	The cost estimate must be from a licensed unaffiliated 3rd party general contractor, or from an independent cost estimating company.

	Section	Question	Answer
<b>SECTION 3 - UNDERWRITING, COST, AND PRICING GUIDELINES</b>			
8	3.3	Can you kindly clarify that for non-special needs populations we are required to provide 1 FTE for 45 units in supportive service coordination? And if so, can you confirm that we will be permitted to pay for these supportive services coordination fees from cash flow as an operating expense of up to only \$250/unit/year?	Section 3.3 states that, "Case management must include ...the following Case Manager-to-tenant ratios will be used by LAHD in evaluating project proposals: one Full Time Equivalent (FTE) Case Manager to no more than 45 units of low income senior or other tenant populations." The same section also states that, "Applicant/developer will be permitted to pay for supportive services coordination and case management from cash flow as an Operating Expense up to \$250 per unit per year for low income senior and other tenant populations."
<b>SECTION 5 - SELECTION CRITERIA</b>			
9	5.1.2	With regard to leverage of committed funding sources, in the case of a below market ground-lease, how is the committed funding calculated as a percentage of total development costs, since the cost of the land is not actually in the total development cost? We are developing on land owned by the City, which will be made available via a long-term groundlease at a below-market \$1 a year lease payment. Does the land contributed at nominal cost qualify for leverage of committed funding sources points?	LAHD will review the terms of the ground lease and the appraisal report. Section 5.1.2 states that, ""for donations involving leasehold estates, LAHD will accept the property's "Below Market Value" of the Ground Lease as the committed funds. The "Below Market Value" (BMV) is defined as the difference between the appraised value minus the actual capitalized ground lease amount. The BMV amount that LAHD will consider as committed funds 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 that is consistent with Section 2.12.1.""
10	5.2.1	Do you need the GP Experience List of Projects for just the lead developer (administrative general partner)? Or do you need list for BOTH AGP and MGP?	Section 5.2.1, the GP experience points shall be awarded to the entity that will keep managerial control of the project.

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11	5.2.1(i)	Regarding the CPA letter for General Partner Experience Points for projects previously owned: can you clarify if the CPA needs to include the project's funded reserves as of the report date, or the date when the GP separated from the project?	Section 5.2.1(i) states that, "For projects in operation for over three years, submit a certification from a third party certified public accountant that the projects for which it is requesting points have maintained a positive operating cash flow, from typical residential income alone (e.g. rents, rental subsidies, late fees, forfeited deposits, etc.) for the year in which each development's last financial statement has been prepared and have funded reserves in accordance with the partnership agreement and any applicable loan documents. To obtain points for projects previously owned by the proposed general partner, <b>a similar certification must be submitted with respect to the last full year of ownership by the proposed general partner</b> , along with verification of the number of years that the project was owned by that general partner. To obtain points for projects previously owned, the ending date of ownership or participation must be no more than 10 years from the application deadline. This certification must list the specific projects for which the points are being requested. The certification of the third party certified public accountant may be in the form of an agreed upon procedure report that includes funded reserves as of the report date, which shall be dated within 60 days of the application deadline, unless the general partner or key person has no current projects which are eligible for points in which case the report date shall be after the date from which the general partner or key person separated from the last eligible project. If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the certification may be submitted in a second round application, exceeding the 60-day requirement above. Where there is more than 1 general partner, experience points may not be aggregated; rather, points will be awarded based on the highest points for which 1 general partner is eligible."
12	5.2.3(A)	We are a joint venture of a for-profit developer/Administrative GP and a non-profit BIPOC developer/Managing GP; both parties have sufficient experience to achieve maximum points for experience under the NOFA. We do have the required split of the developer fee, cash flow and net sales proceeds, and the BIPOC does have the right of first refusal and option to purchase. Are we able to receive the points for being BIPOC if we use the experience points for the for-profit developer to qualify for the experience points?	There are two experience sections. Experience points are scored individually for each section. Section 5.2.3 (A) states that, "(A); Ten (10) points if the project is a joint venture between an entity that receives maximum general experience points pursuant to Section 10325(c)(1)(A) of the CTCAC regulations and a BIPOC, provided that the partnership agreement: (i) allocates a share of the developer fee, cash flow, and net sale proceeds to the BIPOC that is equal to or greater than the share to the entity with maximum general experience points and (ii) provides the BIPOC Developer an option to purchase the development. To receive points under this subsection, applicants must submit a copy of the executed partnership agreement showing the required terms as indicated above, and submitted as Attachment 5.2.3.A."

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13	5.3.2	For incentivized ELI units, how do you round up or down to determine points?	Per Section 5.3.2, "The percentage differential shall be rounded-down to the nearest whole percent."
14	5.6.1	How many rounds worth of 9% allocations will be accepted into the queue this round?	Per Section 5.6.1, Projects will be selected into the AHMP until sufficient number of high-scoring applications will use all tax credits that are available from CTCAC 2023 Rounds 1 and 2, and CTCAC 2024 Round 1.
15	5.6.6	Will LAHD consider 9% senior projects with more than 50 units for this round?	Section 5.6.6 states that "The LAHD will keep a cumulative count of the number of Senior units that are being accepted into the Pipeline from the order of selections, and will continue to select projects until the goal of 50 senior units is reached."
16	5.6.6	In selecting projects, if you don't have an exact number of units (i.e. 250 units of special needs), do you go under or over before moving on to the next category.	Section 5.6.6 states that "The LAHD will keep a cumulative count of the number of special needs units that are being accepted into the Pipeline from order of selections, and will continue to select projects until the goal of 250 special needs units is reached."
17	5.9	Will ""alternate"" designations apply to LAHD soft funds as well? Or only to 9% support letter?"	At the time of admittance we're going to select two alternates that will propose 9% financing, and that is it. It's an alternate to be admitted. It is not for soft funds, and it is not for a support letter. So at the time of admittance, that's all that those alternates will receive.
<b>EXHIBIT 08 - ENHANCED ACCESSIBILITY PROGRAM</b>			
18	Exh 08 EAP	May projects receive credit for items 4 and 5 on Table 2 of the enhance accessibility program checklist if they have no carpets?	No. For the Enhanced Accessibility Program - credit for item 4 on Table 2 is available where carpet is used in public and common use areas of the development; and credit for item 5 on Table 2 is available when carpet is the standard in rooms within units in a development.