



The Housing + Community Investment Department (HCIDLA) is preparing to release the 2021 Affordable Housing Managed Pipeline Program Regulations, Policies and Procedures. Below is a summarized list of proposed major changes, as well as proposed scoring rubric. Full set of redlined regulations to follow.

	SUMMARY OF PROPOSED MAJOR CHANGES
GOALS	<p>HCIDLA intends to leverage all available funds, including outside leverage sources. To allow for the best use of all available funds, projects are allocated funds in the following order:</p> <ol style="list-style-type: none"> A. Projects must meet all threshold requirements, as further described in the regulations, and as summarized herein B. Projects that pass threshold, will be ranked according to total score <ol style="list-style-type: none"> 1. Projects will then be selected in the following order, subject to available funds and 9% LIHTC that are available for two rounds: <ol style="list-style-type: none"> 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 2. 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 3. If not enough demand for the above goals, HCIDLA will consider other types of applications based on score.
Accessibility	<p>As part of the City's commitment to increase the availability of affordable accessible housing throughout the City's multifamily housing related programs, The City is proposing to adopt several new guidelines, such as:</p> <ul style="list-style-type: none"> • Update the requirement so that 4% of the total units in each development must be accessible to persons with sensory impairments and 11% must be accessible to persons with mobility impairments. Note: New regulations for California Debt Limit Allocation Committee (CDLAC) / California Tax Credit Allocation Committee (CTCAC) may increase the number of required units, shall meet the most restrictive requirement in building the project. • For supportive housing units, supportive service plans must also include a detailed outreach plan for each proposed population, a staffing plan and budget. Additionally, for the Accessible Housing Program (AChP) units, a plan to incorporate the Coordinated Entry System (CES), 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 Targeting	<p>In order to align with the TCAC regulations, HCIDLA will allow "<u>blended</u>" units targeting above 60% AMI, as long as the average targeting does not exceed 50% AMI. See Loan Limits for further information.</p>
Geographic Distribution	<p>HCIDLA will eliminate the non-TOD target. Instead, the scoring will give points to projects located within either the City's Transit Oriented Communities program and TCAC's Highest and High Opportunity Area. See scoring system.</p>

Max HCIDLA Loan Limits	<p>HCIDLA Max Loan Limits will increase for 9% projects and for 4% projects will mirror the Prop HHH program. HOME funds will not be available to fund units with rents affordable to households above 60% AMI. Maximum HCIDLA loan available to any one project is \$14 million. Maximum HCIDLA loan available to any one project is the lesser of \$14 million or 50% of total development cost based on final costs at the time of loan closing.</p> <table border="1" data-bbox="467 289 1287 464"> <thead> <tr> <th></th> <th>9% - Fam/ Sr</th> <th>9% ELI*</th> <th>4%</th> </tr> </thead> <tbody> <tr> <td>0 Bedroom</td> <td>87,843</td> <td>105,000</td> <td>\$140,000</td> </tr> <tr> <td>1 Bedroom</td> <td>96,978</td> <td>112,875</td> <td>\$140,000</td> </tr> <tr> <td>2 Bedroom</td> <td>107,478</td> <td>120,750</td> <td>\$140,000</td> </tr> <tr> <td>3+ Bedroom</td> <td>112,728</td> <td>126,800</td> <td>\$140,000</td> </tr> </tbody> </table> <p>* Available only to Incentivized ELI units, see Scoring rubric</p>		9% - Fam/ Sr	9% ELI*	4%	0 Bedroom	87,843	105,000	\$140,000	1 Bedroom	96,978	112,875	\$140,000	2 Bedroom	107,478	120,750	\$140,000	3+ Bedroom	112,728	126,800	\$140,000
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Pet Policies (new)	Pursuant to LA Ordinance No 186228, pet policies have been drafted in coordination with the Los Angeles Animal Services, Los Angeles County Development Authority and Los Angeles County Department of Animal Service. See Exhibit																				
Maximum Number of Projects	<p>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), throughout any/all of the HCIDLA financing programs; of which a maximum of four can be in pre-construction and maximum of five can be in construction and/or have completed construction and are in permanent loan conversion process. Participation is defined as (1) any percentage controlling ownership in a current or future limited partnership or equivalent, or (2) receipt of more than 10% of the total developer fee in a current or future limited partnership or equivalent. In recognition that the maximum number limit will apply across all HCIDLA programs, entities that exceed these parameters at the time of application deadline may initiate one project as part of the next NOFA.</p>																				
Term of Funding Rounds	In addition to 2021 TCAC Round 2 and 2022 TCAC Round 1, HCIDLA will request authority to conduct up to one additional funding round in order to allow admittance of new projects if an outside leverage funding source announces additional emergency-related financing.																				
Threshold Requirements	<ul style="list-style-type: none"> • Minimum equity requirements for all projects shall be: 50% of TDC for 9% LIHTC; 30% of TDC for 4% LIHTC; 20% of TDC for non-LIHTC • Site Control must be demonstrated at least 90 days post application deadline • Projects must meet Cost Parameters and shall meet the TCAC “high cost” test Applications that are designated as “high cost” shall be rejected and will not be considered for further review • Financial Feasibility shall be supported by a development budget/ proforma with at least a 15-yr positive cash flow • All applicant entities shall be in compliance with the HCIDLA’s Business Policy. Applicants may be determined to be ineligible for non-compliance due to monetary and / or non-monetary issues • Assurances and Certification must be acknowledged by each applicant entity; including affirmative action, insurance, and City ordinances • Property management plans shall include affirmative marketing process, detailed outreach efforts, and coordination process for the accessible units • Supportive housing projects shall submit a supportive services plan • Conceptual Architectural plans shall be submitted at the time of application • If relocation is applicable, a relocation plan along with required notices are required • Accessibility Compliance Certification as well as an identified State Certified Access Specialist (Casp) shall be submitted 																				

PROPOSED SCORING RUBRIC

	Proposed	Reason
<u>Financial Efficiency</u>		
Readiness	10	A maximum of 10 points will be awarded to projects which demonstrate readiness to apply in the next upcoming TCAC rounds. A. Entitlements i. (4 points) 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; OR ii. (2 points) 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; B. Competitiveness - (2 points) Demonstrate proof project will attain TCAC max points, which includes site amenities, service amenities and affordability matrix C. Relocation - (4 points) Project will not require any relocation
Leverage – Committed Funds	15	HCIDLA intends to leverage the limited resources available and therefore, points will be awarded to projects which can leverage the requested HCIDLA loan amount with other public or private sources. Up to 15 points will be awarded based on ratio of Committed Soft/ Private Funds to Total Development Cost. Public funds shall not include City owned land or other HCIDLA funding; and Private sources shall not include permanent mortgage loans.
	25 sub	
<u>Experience</u>		
General Partner Experience	10	Points shall be awarded based on the number of projects the general partner and assigned staff, have developed, owned and have been compliant within the last 10 years. The projects used to garner points shall be of similar scale and targeted population. Requirements shall be similar to TCAC regulations in general, shall also follow the HCIDLA Business Policy and be demonstrated to the satisfaction of the HCIDLA.
Property Manager/ Service Provider	5	Points shall be awarded based on the number of projects the proposed property manager and assigned staff, have managed and have been compliant within the last 10 years. The projects used to garner points shall be of similar scale and targeted population. Requirements shall be similar to TCAC regulations in general and be demonstrated to the satisfaction of the HCIDLA. Special needs projects will require experience with the proposed target population.
Borrower Entity is a CHDO	10	Demonstrate GP is/ will be a CHDO certified entity. HUD HOME program requires 15% funds to be set-aside for CHDO. If application for certification has been submitted but is pending approval. HCID will allow 60 days post application to get certified.
	25 sub	

<u>Other Policy Objectives</u>		
Geographic Distribution	9	Projects will be awarded maximum 9 points based on <u>one</u> of the following two categories: A) Project is within a City Transit Oriented Community (TOC), documented by ZIMAS or DCP verification. Proof shall be dated within 15 days prior to application (9 points) - TOC Tier 4 / TOC Tier 3 (5 points) - TOC Tier 2 / TOC Tier 1 B) Project is within a Highest or High Resource Area (9 points) - for Highest Resource Area OR (5 points) - for High Resource Area (1 Point) for projects which are located in both a City TOC Tier 4 or Tier 3 and a Highest or High Resource Area
Extremely Low Income	10	In order to incentivize Extremely Low Income (ELI) units for Large Family projects not proposing Project Based Voucher (PBV), points will be awarded for units above the minimum TCAC 10% ELI. One point for each 1% above the initial 10% minimum ELI units, up to maximum 10 points
Site Efficiency	5	Increase minimum project size threshold from 50 to 60+ units for Site Efficiency
Cost Efficiency	15	Points will be awarded to projects whose Adjusted Total Development Cost per unit is lower than the average based on the last two TCAC Rounds in the City Geographic. One point for every 1% below the Average Adjusted Total Development Cost per unit. Adjusted Total Development Cost is TDC minus the developer fee equity (excess of total developer fee minus the TCAC \$2.2M/ \$2.5M/ \$3.0M respectively) and any non-residential costs required by the City, eg.; replacement parking.
	sub 40	
Self-Score Subtotal	90 Points	
<u>Bonus Points</u>		
Enhanced Accessibility Program	10	Bonus points will be awarded to projects which chose to participate in the Enhanced Accessibility Program. See Exhibit- Enhanced Accessibility Program.
TOTAL POSSIBLE POINTS	100 MAX	