

TRANSMITTAL

To:

THE COUNCIL

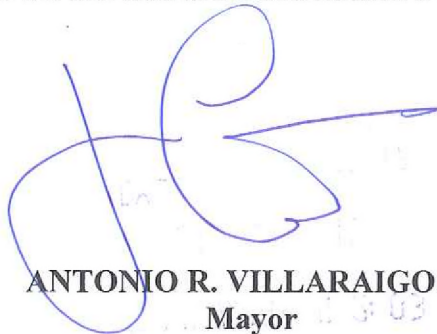
Date:

NOV 24 2009

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



ANTONIO R. VILLARAIGOSA
Mayor



OFFICE OF THE GENERAL MANAGER
Los Angeles Housing Department
LAHD

1200 West 7th Street, 9th Floor, Los Angeles, CA 90017
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Antonio R. Villaraigosa, Mayor
Rushmore D. Cervantes, Interim General Manager

November 17, 2009

Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Council File: New
Council District: City wide
Contact Persons:
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Timothy Elliott / 213-808-8901

Attention: Pamela Finley, Legislative Coordinator

**COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT (LAHD)
RECOMMENDATIONS FOR THE 2010 CALENDAR YEAR AFFORDABLE HOUSING TRUST FUND
(AHTF) NOTICE OF FUNDING AVAILABILITY (NOFA) AND ACTIONS RELATED TO THE AHTF**

SUMMARY

The Los Angeles Housing Department (LAHD) requests authority to issue the 2010 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA), with projects competing for funding in up to three funding rounds. The filing deadline for applications under the 2010 AHTF NOFA is scheduled for December 14, 2009. The AHTF NOFA is provided as Attachment I.

Based upon this authority, LAHD will solicit developers' applications for gap funding from the AHTF for multifamily affordable housing developments. The LAHD will review the applications submitted for each AHTF funding round in 2010 and prepare a list of projects recommended to receive Letters of Commitment for funding. All funding recommendations will be submitted to the Mayor and City Council for consideration and approval.

AHTF funding commitments are subject to the condition that project sponsors apply to the following leveraging sources in the next available funding round of the applicant's chosen leveraging source:

- The California Tax Credit Allocation Committee (TCAC) 9% tax credits
- The U.S. Department of Housing and Urban Development (HUD) Section 202
- HUD's Section 811 Program
- Public or private sources in combination with 4% tax credits and Tax-Exempt Bonds

ACTIONS RELATED TO THE AHTF

The General Manager also requests authority to amend previous AHTF loan agreements for the Hollywood Bungalow Courts and Maya Townhomes projects to include funding in the amount of \$200,000 per project in accordance with the Los Angeles Department of Water and Power (LADWP) Sustainable Design and Economic Development guidelines.

RECOMMENDATIONS

The General Manager, Los Angeles Housing Department (LAHD), respectfully recommends:

1. That your office schedule this transmittal at the next available meeting(s) of the appropriate City Council Committee(s) for review and forward it to the City Council for review and approval immediately thereafter.
2. That the City Council, subject to the approval of the Mayor, take the following actions:
 - A. Instruct the General Manager, LAHD, or designee, to issue the attached AHTF NOFA, and implement an allocation schedule that will include the authority to conduct up to three funding rounds. All AHTF NOFA funding rounds will coincide with applicable funding cycles for federal and state multifamily housing development programs.
 - B. Authorize the General Manager, LAHD, or designee, to solicit AHTF applications in the first funding round of 2010 from the following sources:

<u>Funding Source:</u>	<u>Account No.:</u>	<u>Amount:</u>
HOME	561/212	\$19,481,663.00
BOND	44G/213	701,600.00
CRA	44G/214	11,345,181.00
DWP	44G/215	<u>1,285,000.00</u>
TOTAL		\$32,813,444.00

- C. Authorize the solicitation of AHTF applications for subsequent funding rounds based on approval of funds requested in the FY 2010-11 Consolidated Plan and City Budget. Applications received in those funding rounds will be reviewed by LAHD and recommendations will be submitted to the Mayor and City Council for approval.
- D. Authorize the General Manager, LAHD, or designee, to amend the AHTF NOFA as necessary to be consistent with income or geographic targeting requirements of any applicable leveraged funding sources, which may be revised or become available during the 2010 calendar year.
- E. Authorize the Controller to transfer appropriations within Fund No. 561, HOME, Department 43 as follows:

	<u>Funding Source</u>	<u>Account No.</u>	<u>Amount</u>
From:	HOME	N211	\$2,485.00
To:	HOME	F212	\$2,485.00

F. Authorize the General Manager, LAHD, or designee, to amend two previously approved loan agreements as necessary for the Hollywood Bungalow Courts and Maya Townhomes, to commit funds subsequently approved by the LADWP in the amount of \$200,000 per project, in accordance with the LADWP's Sustainable Design and Economic Development guidelines.

G. Authorize the City Controller to:

1) Establish a new account within Fund 44G/43 as follows:

Account No.	Account Name
44G/F215	DWP

2) Transfer funds within Fund 44G as follows:

From:		
Account No.	Account Name	Amount
44G/T215	DWP	\$1,000,000.00
To:		
Account No.	Account Name	Amount
44G/F215	DWP	\$1,000,000.00

3) Allocate and expend funds from the following funds and accounts for the following LADWP approved project, upon proper written demand from the General Manager, LAHD, or designee:

<u>Project</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Hollywood Bungalow Courts	44G/E215	DWP	\$200,000.00
Maya Townhomes	44G/E215	DWP	\$85,000.00
	44G/F215	DWP	\$115,000.00
			\$200,000.00
TOTAL			\$400,000.00

H. Authorize the General Manager, LAHD, or designee, to prepare Controller instructions and any necessary technical adjustment(s), consistent with Mayor and Council actions, subject to the approval of the City Administrative Officer, and additionally, authorize the Controller to implement the instructions.

I. Authorize the General Manager, LAHD, or designee, and the City Controller to de-obligate the \$4.0 million in HOME Funds, previously set-aside for Lincoln Place Project that was approved under Council File Number 09-0372 on May 29, 2009.

BACKGROUND

AFFORDABLE HOUSING TRUST FUND

The Affordable Housing Trust Fund was established by the Mayor and City Council in June 2000. Since the AHTF issued its first major NOFA in early 2003, a net total of approximately \$387 million has been committed to 122 developments consisting of 7,077 units and a total development cost of \$1.9 billion. Of these, 78 projects with 4,479 units have been completed, 13 projects consisting of 867 units are under construction, and 31 projects consisting of 1,731 units are currently in the predevelopment phase.

For 2009 Round 2, LAHD received 49 AHTF applications requesting \$243 million, of those, 12 projects were selected. A total of 8 projects succeeded in obtaining leveraging source funding. One project was fully funded at the time of NOFA application and another is currently applying for HUD Section 202 funding. The projects received a total of \$21.6 million in AHTF commitments.

2009 AHTF Round 2 Commitments: 11 Projects in Council Districts 1, 4, 6, 7, 8, 9, 13, 14, 15

<u>Populations Served</u>	<u>Units</u>
Family (7 projects)	226
Seniors (4 projects)	<u>356</u>
TOTAL	582

Under the 2009 Permanent Supportive Housing Program (PSHP), two of the four projects that received commitments (\$4 million in capital funds and \$6.3 million in operating subsidy in the form of Section 8 Project Based Vouchers from HACLA) were subsequently awarded funding by their chosen leveraging sources.

2009 PSHP Commitments that Received Leverage Source Funding: 2 Projects in Council Districts 6, 13

<u>Populations Served</u>	<u>Units</u>
Homeless and Low-Income Individuals, Homeless Families	131

One of the most important features of the AHTF and PSHP is the ability to attract the investment dollars of other public and private entities for the development of affordable housing within the City of Los Angeles. To date, AHTF and PSHP projects have leveraged a total of \$1.8 billion in public and private funds, which represents a leverage ratio of approximately \$3.93 for every dollar invested by the AHTF and PSHP. Attachment 2 provides cumulative totals for each program, the number of units, and the overall leverage ratio for both programs.

FUNDING FOR THE 2010 AHTF NOFA

For Round 1 of the 2010 AHTF NOFA, funds in the amount of \$24,149,061 are available from the following sources:

<u>Funding Source:</u>	<u>Account No.:</u>	<u>Amount:</u>
HOME	561/212	\$19,481,663.00
BOND	44G/213	701,600.00
CRA	44G/214	11,345,181.00
DWP	44G/215	<u>1,285,000.00</u>
TOTAL		\$32,813,444.00

As stated previously, the CRA and DWP funds are restricted by geography and eligible uses. The amount of \$19,481,663 in HOME funds represent the only flexible capital available for this first competitive round.

PROPOSED CHANGES TO 2010 AHTF AND PSHP NOFAS

In order to make regulations consistent with industry standards and adjust to the ongoing changes in the financial and housing markets, several changes are recommended for the 2010 AHTF NOFA. These proposed modifications were discussed with members of the City Collaborative and presented to stakeholders at a meeting held on September 23, 2009. Stakeholders' feedback was considered in the formulation of the proposed changes to the AHTF and PSHP regulations.

RATING AND RANKING

Following the issuance of the 2009 NOFA, the California Tax Credit Allocation Committee (TCAC) adopted a scoring system that placed a value on the percentage of non-tax credit funding in relation to the total project cost. The effect was that the greater the local subsidy request, the higher the TCAC ranking. This resulted in applicants attempting to manipulate their ranking by requesting fewer tax credits and more LAHD subsidy.

In response to TCAC's new system, LAHD adjusted its 2009 Round 2 scoring system accordingly. The TCAC scoring system awards one point for each one percent of public funding awarded to a project, up to a maximum of 20 points. In order to allow projects to be competitive without excessive local subsidy, LAHD's ranking method limited the combined local subsidies to 20% of a project's total development cost.

The strategy proved effective, with eight out of ten LAHD funded projects receiving tax credits in a very competitive system. This resulted in LAHD passing over a number of projects that already had 20% or more in public subsidies. At the state level, this policy disadvantaged some senior projects, which fell below the cut off point for that housing type. For 2010, the following new ranking process is proposed:

- To assure maximum competitiveness of applications, subsidies will be based on the amount necessary to achieve an apparent score and tie breaker that is reasonably perceived to have the ability to compete successfully in the next funding round of the identified leveraging source.

- Projects will then be ranked based on the lowest ratio of calculated gap financing relative to the maximum eligible loan amount, including all eligible subsidy boosts.

FUNDING PRIORITIES

Preservation of At-Risk Projects

At-risk projects are defined as those that are in jeopardy of losing their affordability via conversion to market rate, due to the expiration of affordability covenants or operating subsidies. The 2009 NOFA gave preference to these projects, which resulted in \$35 million in requests received. However, only a total of \$28.2 million in flexible capital (HOME funds) was available for all project types. It was therefore recommended that preservation funding be suspended pending a study funded through a grant by the MacArthur Foundation. The study, conducted by the California Housing Partnership Corporation (CHPC), was to assist LAHD in evaluating the true risk of conversion and lay the groundwork for a methodology that could be utilized by staff to determine a project's funding feasibility. The proposed ranking criteria considered such factors as the conversion risk, Section 8 subsidy, leveraging, and impact (size/scope and condition of current property).

In particular, one of the recommendations for ranking criteria consisted of a project's readiness to renew a long term HUD rent subsidy contract through the Mark-up to Market (MU2M) program. The MU2M contract would allow for an increase, or mark-up, in rents to accommodate the costs of acquisition and rehabilitation. The actual funding gap would then be calculated based on the marked-up rent. Readiness would be confirmed by a reliance letter from HUD.

Using the MU2M readiness as a means of ranking would be a major shift for the Trust Fund, and no current or pipeline projects have reached this stage of readiness. If the criteria were adopted and implemented immediately, it is likely that no projects would meet the ranking criteria. However, CHPC's preliminary recommendations are useful in bringing into focus the funding strategies needed for these types of projects.

One such strategy proposed involves the use of the City's revolving acquisition fund, the New Generation Fund (NGF), as a mechanism to fund preservation projects with pending MU2M contracts. Many of these types of projects need excess gap financing for a defined short-term period until the mark-ups are approved. It may make better fiscal sense to use the NGF, as it would provide short-term bridge loans to these types of preservation projects. This in turn would make AHTF dollars available for new projects until the true gap for the at-risk projects is known, based on the eventual MU2M contract amount.

Therefore, until a new policy that adequately addresses the issues raised is crafted, a methodology cannot be implemented; until such time, it is recommended that the moratorium on funding preservation projects remain in effect for 2010 Round 1.

TOD and MHP Projects

In 2009, the AHTF also suspended the acceptance of applications for projects proposing the Proposition 1(C) Transit Oriented Development Housing Program (TOD) as a major leveraging source. LAHD already has \$16.2 million committed to two 2008 TOD projects that have been unable to move forward. This is due to the lack of the construction lender's confidence in TOD as a permanent funding source, based on the State's uncertain bonding capacity.

This year, the State has issued additional TOD awards to projects within the City. However, even with an LAHD commitment, it is unlikely that these projects would be able to secure conventional financing and move forward unless an alternative TOD guarantee source is identified.

Another Proposition 1(C) funding source, the Multi-Family Housing Program (MHP), is subject to the same problems as the TOD. However, TOD can be combined with 9% tax credits as a primary leveraging source whereas MHP cannot.

It is therefore recommended that the funding of projects with Proposition 1 (C) as the primary leveraging source be suspended for 2010 Round 1. It is also recommended that projects with current commitments involving TOD, that are applying for funding in the NOFA, provide evidence of an alternative permanent guarantee source acceptable to LAHD by January 29, 2010. This date coincides with the release of LAHD's recommendations for project funding.

202 and 811 Projects

Previous NOFAs had given priority to projects that projected the use of HUD Section 202 and 811 financing. This was due to the lower subsidy amount required in comparison to a tax credit project, and because these types of projects could serve lower income seniors or disabled persons as a result of the built-in rent subsidy.

Over time, HUD's capital advances have become much smaller; therefore, subsidy demands are now on par with tax credit projects. The program is also very competitive, with annual funding available for 200 units for all projects south of Fresno. In addition, the last two LAHD-funded Section 202 projects had secured HUD funding prior to applying to the Trust Fund. Such fully funded projects already receive priority under the NOFA.

For the above reasons, it is recommended that this priority be eliminated.

SUBSIDY BOOSTS

Previously, subsidy boosts were provided for projects located in South Los Angeles and Transit Oriented Districts as a means of meeting the City's housing goals. With the changing dynamics in the housing arena, it was necessary to make modifications to the subsidy boosts that LAHD provides to certain projects.

In prior NOFAs, the subsidy boosts could not be combined; the total subsidy boost allowed was 5%. For 2010, it is recommended that the NOFA allow subsidy boosts to be combined in order to give projects that are structured to meet specific City housing goals a commensurate advantage.

Balanced Communities (Mixed Income)

In order to support the City's efforts to deconcentrate assisted housing, it is recommended that a 5% boost be added for projects that encourage balanced communities. For the purposes of the NOFA, the definition was taken from that which was previously used in the TCAC point scoring system. Projects would qualify for the boost where home prices within a ½ mile radius of the site are above 100% of area median, or where census data demonstrates that the average income of the census tract is at or above 100% of area median. This would provide additional subsidy to projects that are not located in CRA/LA areas and therefore eligible for Agency assistance.

New Generation Fund / Supportive Housing Loan Fund

A new subsidy boost is recommended for projects that have received New Generation Fund (NGF) or Supportive Housing Loan Fund (SHLF) awards. The intent of this boost is to advantage the chances of success for those projects acquired with LAHD guaranteed acquisition financing. In the course of an NGF or SHLF review, the borrower and its related parties undergo a background check and the project is reviewed for financial feasibility. This provides an assurance that AHTF or PSHP applicants who were successful in obtaining an NGF or SHLF loan have already been vetted by the Department.

HACLA PBV APPLICATION

The Housing Authority of the City of Los Angeles (HACLA) will be establishing their own application process for project based vouchers (PBV) independent of the Permanent Supportive Housing Program, and AHTF projects will be eligible to apply. Currently, HACLA staff is developing the application process and has informed LAHD that it will not be ready by the December NOFA application deadline.

The NOFA currently requires that all sources of funding (except for LAHD and the primary leveraging source) must be in place at the time of NOFA application. However, since HACLA commitments will not be awarded by the NOFA application due date, it is recommended that the deadline for HACLA commitments be extended to January 29, 2010, to coincide with the release of LAHD's recommendations for project funding.

SMOKE-FREE INCENTIVE PROGRAM

In 2005, the Mayor and Council approved the Smoke-Free Housing Pilot Program, which, through the NOFAs, would provide an incentive of \$300 per unit to projects that provided a smoke-free common area. However, TCAC has since started offering bonus points to projects with designated smoke-free units. Because the tax credit allocation process is very competitive, many developers elect this option. The TCAC incentive overlaps and greatly overshadows the LAHD smoke-free incentive. Therefore, due to the negligible additional benefit and the redundancy of the incentive, it is recommended that the Smoke-Free Incentive Program be eliminated.

ACTIONS RELATED TO PRIOR COMMITMENTS

TERM OF PSHP COMMITMENT

In previous NOFAs, LAHD commitments were valid for two funding rounds. However for 2009, TCAC held only a single funding round. Accordingly, LAHD's AHTF and PSHP commitments were made valid only through the end of the year, the reason being that projects were underwritten assuming the availability of TCAC's one-time American Recovery and Reinvestment Act (ARRA) funds to fill financing gaps created by the weak demand for tax credits. Without these price supports, unsuccessful projects would need to apply for additional subsidy capital and should therefore compete for it. Special Needs projects were hardest hit by market shifts but were able to exchange their entire credit allocations for ARRA funds.

Until additional funding is available from the approval of the 2010-11 Consolidated Plan in April 2010, there will be no PSHP NOFA to coincide with TCAC's 2010 Round 1. If ARRA funds for exchange are renewed for 2010, unsuccessful 2009 PSHP projects could compete for them under the Nonprofit Homeless set-aside; otherwise, the City will lose out on this valuable resource.

It is therefore recommended that 2009 PSHP commitments be extended for one additional round.

PROPOSITION 1(C) BRIDGE LOANS

As indicated earlier, two projects that received TOD awards in 2008, MacArthur Park Metro Phases A and B, have been unable to close their construction loans. The developer has requested to use the \$8.7 million committed to Phase B as a guarantee for the Phase A TOD funds so that construction can commence. Should the TOD funds be unavailable to repay the construction loan upon completion, the combined amount is within the per-unit maximum HOME program subsidy limits.

ADJUSTMENTS TO VARIOUS PROJECT ACCOUNTS

LINCOLN PLACE PROJECT

On May 29, 2009, \$4.0 million in HOME Funds was set-aside for the Lincoln Place project under Council File Number 09-0372. HUD Regulations at 24 CFR 85.36(c)(1) state, "all procurement transactions will be conducted in a manner providing full and open competition...". The City's standard procedures require the developers to apply for HOME funding through a notice of funding availability. Therefore, this is an ineligible use of funds and it is recommended that the \$4.0 M in HOME Funds be de-obligated.

AMENDMENTS TO LOAN AGREEMENTS

Hollywood Bungalow Courts and Maya Townhomes

The Hollywood Bungalow Courts and the Maya Townhomes projects applied for and received an award of \$200,000 each from the Los Angeles Department of Water and Power (LADWP) under LADWP's Sustainable Design and Economic Development Guidelines. It is therefore requested that the loan agreements be amended to include the additional funding amounts.

Women's Village

In 1995, the LAHD General Manager received Council approval to negotiate and execute a \$1.6 million acquisition/predevelopment loan with Catholic Charities for the construction of Women's Village, a three-phase development of 61 affordable housing units for women and children. The loan was for a 24-month term at 5% interest (C.F. #95-0596).

On October 13, 1998, Council authorized LAHD to reallocate the funds as follows: \$1,050,000 to Phase I, \$156,000 to Phase II, and \$394,000 to Phase III.

For Phase II, LAHD was also granted authority to negotiate and execute a construction/permanent loan agreement with Homeless No More, Inc. for \$456,000. This loan included the initial \$156,000 and \$300,000 in new funds for construction. Construction of Phase II was completed and the loan was converted to permanent status in April 1999.

Phase III was completed in 2008 on a site, which included a parcel of donated land in addition to those parcels acquired with \$394,000 in LAHD funds. Phase III was constructed with funds from the State Department of Housing and Community Development (HCD); Phase I used funds from the HUD Section 811 program. Both loans are senior to the LAHD acquisition loan and have different regulations regarding the distribution of residual receipts.

To minimize the administrative burden of reconciling these differences on an ongoing basis, it is recommended that Council approve the merging of the Phase I and II loans. A new permanent promissory note of \$1,444,000, at 5% interest for a 40-year term would be secured by a deed of trust on Phase I, and the existing collateral for the Phase III parcels would be released.

FISCAL IMPACT

For the AHTF, a total of \$32,813,444 is available from HOME, McKinney Act Bond Refinance, DWP, and CRA sources. Funding for the PSHP NOFA will provided from sources to be made available upon the approval of the 2010-11 Consolidated Plan. There is no fiscal impact on the City's General Fund.

Prepared by:

Reviewed by:



MARIANO NAPA
Acting Manager, Affordable Housing Trust Fund



TIMOTHY S. ELLIOTT
Acting Director, Major Projects Division

Approved by:

Approved by:



MARLENE GARZA
Assistant General Manager



RUSHMORE D. CERVANTES
Interim General Manager

Attachments:

- 1) AHTF NOFA
- 2) AHTF and PSHP Activity Summary

CITY OF LOS ANGELES
AFFORDABLE HOUSING TRUST FUND
NOTICE OF FUNDING AVAILABILITY

2010 Round 1

DRAFT

November 17, 2009

DRAFT

**AFFORDABLE HOUSING TRUST FUND
2010 NOTICE OF FUNDING AVAILABILITY**

ROUND 1

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Attachments (must be completed and submitted with application)

1. Assurances & Conditions Certification (*Sec. 1.15.3*)
2. Environmental Checklist (*Sec 2.3.6*)
3. Direct Construction Cost Summary – “Schedule of Values” (*Sec 2.7*)
4. Acquisition – Relocation Project Summary Assessment Form (*Sec 2.9*)
- 4a. Relocation Tenant Rent Roll (*Sec. 1.10.7*)
- 4b. Sample Relocation General Information Notices (*Sec. 1.10.7*)
- 4c. Form Letters Regarding Voluntary Acquisition (*Sec 2.5*)
5. LAHD Credit Check Authorization (*Sec 2.10*)
6. Form Letter Regarding Davis-Bacon/State Prevailing Wage (*Sec 2.11*)
7. Applicant(s)/Borrower(s) Certification Statement (*Sec 2.14*)
- 7b. List of Income Properties (*Sec. 2.12*)
8. Council Office Support Letter and CRA Letter of Acknowledgement and Support (*Sec 2.4*)
9. Property Management Plan (*Sec. 2.15*)
10. Affordable Housing Referral Form – Los Angeles City Planning Department (*Sec. 2.6*)

Exhibits

1. Request for Information Form
2. LAHD Architectural Requirements
3. Los Angeles City Planning Department’s CEQA Process
4. LADWP/LAHD Sustainable Building Incentive Program
5. Map of South Los Angeles-Priority Area
6. Lead-Based Paint Hazard Remediation Incentive Program

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**AFFORDABLE HOUSING TRUST FUND
2010 NOTICE OF FUNDING AVAILABILITY**

INTRODUCTION

The purpose of this Notice of Funding Availability (NOFA) is to announce the availability of funding from the City of Los Angeles through the Los Angeles Housing Department (LAHD) to assist in the creation of affordable housing. The City's goal, through the Affordable Housing Trust Fund (AHTF), is to create housing for low and very-low income households within the City. The housing created is intended to serve all populations which are identified by the California State Tax Credit Allocation Committee (TCAC), the California Department of Housing and Community Development (HCD), and the U.S. Department of Housing and Urban Development (HUD). The housing created should not only provide additional housing opportunities, but should also attempt to revitalize neighborhoods and remove blight. Irrespective of the funding scenarios, all projects should seek to leverage limited City funding to the greatest extent possible.

This NOFA will seek to prioritize projects that have the ability to score competitively for the purposes of securing TCAC or HUD funding resources, and are able to move quickly from predevelopment into construction and completion. The funds provided under this NOFA are to be used to fill the financing gap between the projected Total Development Cost (TDC) of the project and other available funding sources. LAHD intends that projects submitted under this NOFA be structured utilizing one or more of the following funding sources:

1. 9% Low Income Housing Tax Credits; or
2. HUD Section 202/811 Programs; or
3. Public or private sources in combination with 4% tax credits and Tax-Exempt Bonds

Regardless of the leveraged funding source, all projects are to be underwritten assuming 100% HOME funds. LAHD's funds must eventually be used in a manner consistent with the regulations applicable to the leveraging source(s). Successful applicants under this 2010 AHTF NOFA are required to apply in the next competitive round for the respective leveraged funding source. The AHTF commitments are contingent upon the project's receipt of an award from its identified leveraging source after applying to such source no more than two (2) consecutive times. Projects that obtain funds from LAHD and require the issuance of bonds must use LAHD as the issuer of those bonds.

All technical assistance questions must be submitted by e-mail or fax using the attached Request for Information form (Exhibit 1). To ensure the fair and consistent distribution of information, all questions will be answered via a Question-and-Answer (Q&A) document available on the World Wide Web (Web) at www.lacity.org/LAHD. No individual answers will be given. The Q&A document will be updated on a regular basis to ensure the prompt delivery of information. If you do not have access to the Internet, the Q&A document will be available by fax or by pick-up at the address listed on Part 5 of this NOFA.

A complete original application including one (1) copy, plus two (2) sets of the leveraging source application must be received by LAHD no later than 4:00 P.M., December 14, 2009.

Applications must be submitted on forms provided or approved by LAHD and must not be modified. Applications received after the deadline will not be accepted for processing and shall be returned unopened. All applicants are encouraged to file their applications as early as possible. Applicants who file early will have the opportunity to amend their applications prior to the effective due date for the respective round in which they are competing. The LAHD reserves the right to waive minor technical deficiencies in the application. **Any modifications to the Timeline will be posted on the Web and e-mailed to person(s) on the AHTF mailing list.** Contact persons may be added to the mailing list by submitting a request to NOFA10@lacity.org. A copy of the NOFA is available on the Web at www.lacity.org/lahd.

DRAFT

**AFFORDABLE HOUSING TRUST FUND
2010 NOTICE OF FUNDING AVAILABILITY**

TIMELINE

2010 AHTF	Round 1	Round 2
Stakeholder's Meeting	9/30/09	TBD
Draft NOFA posted	11/20/09	TBD
1 AHTF Bidders' Conference	11/30/09	TBD
2 AHTF Applications due no later than 4:00 p.m.	12/14/09	TBD
Last day to appeal	1/19/10	TBD
3 Appeals Hearing	1/22/10	TBD
4 Initial Results Released	1/25/10	TBD
Final Scores and Funding Transmittal Released to Mayor's Office	2/17/10	TBD
5		
Item scheduled for consideration by the HCED Committee	3/17/10	TBD
6		
Item scheduled for consideration by the City Council	3/24/10	TBD
7		
8 Mayor's concurrence	3/25/10	TBD

***Dates are estimates and subject to change.**

PART 1 PROGRAM REGULATIONS

Through this Notice of Funding Availability (NOFA) the Los Angeles Housing Department intends to fund the rehabilitation, construction and preservation of multi-family rental housing to address the needs of low and very-low income households. The City will place great emphasis on proposed projects that clearly demonstrate the ability to compete for one of the primary leveraging sources and have a proven track record in developing projects on time and within budget.

1.1 Eligible Applicants

Applicants must comply with LAHD's funding source requirements. Applications will be accepted from non-profit developers, for-profit developers, joint ventures, LLCs and limited partnerships. LAHD **will not** accept applications from individuals or entities that have not met current obligations to the Department, as identified in LAHD's Business Policy. Applicants should resolve any delinquencies or other non-compliance issues **prior to** applying for financial assistance. Submittal of a proposed project by an applicant in non-compliance may result in disqualification of the project based on threshold criteria.

1.2 Eligible Projects

All multi-family rental housing projects must use the following minimum rent standards for units which are to be assisted with LAHD funding:

- All units assisted by LAHD must be affordable to households at or below 60% of the area median income (AMI) for the Los Angeles Metropolitan Statistical Area. Income targeting must occur across all proposed unit types.
- Rents for the affordable units must be set at least 10% below market rents in that neighborhood as established by a current independent appraisal or market study as required in Section 2.3.1 of this NOFA.
- Units must comply with the affordability requirements of the applicant's identified leveraging source.
- Special needs groups may also apply under this NOFA. Special needs groups shall be defined as disabled households, survivors of physical abuse and chronically-ill persons, including those with HIV/AIDS.

1.3 Ineligible Projects

- Projects targeting special needs populations that are served under the Permanent Supportive Housing Program (PSHP). PSHP target populations include chronic substance abusers, persons with serious emotional disturbances, individuals who

have experienced chronic homelessness and/or are exiting from institutional settings, and other groups that will require intensive supportive services.

- Preservation of At-Risk projects: Projects that are in jeopardy of losing their affordability via conversion to market rate due to the expiration of affordability covenants or operating subsidies are ineligible for funding under the 2010 Round 1 NOFA. LAHD is in the process of formulating a methodology for evaluating the relative risk of the conversion of these properties to market rents, which will ensure the preservation of the City's affordable housing stock. Once a methodology is established, criteria will be published in a future NOFA.

1.4 **Eligible Activities**

Specific eligible activities are prescribed by LAHD's funding sources. Regulations vary by type of developer (for-profit or non-profit), funding source, and other sources of project financing present in the project. LAHD funds can generally be used for acquisition, predevelopment reimbursement and rehabilitation or construction related costs. **The AHTF will not provide financing for the purpose of acquisition only or for the sole purpose of refinancing existing debt.**

Funds are available for:

- Acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs and relocation expenses. Any net reduction in the number of units must be necessary to improve habitability or marketability of the project. However, if a new construction project entails relocation or permanent displacement, at minimum, the project must net 100% more units (i.e., double) than the amount proposed to be demolished.
- Construction and permanent financing expenses including demolition, off-site public improvements, construction bonds; general contractor and subcontractor payments including overhead, profit and general conditions.

Where refinancing is necessary to preserve an existing 100% affordable project, the applicant must demonstrate that:

- Rehabilitation is the primary eligible activity and that the hard costs of rehabilitation are at least \$40,000 per unit;
- The property is in distress and that disinvestment has not occurred; that the long term needs of the project can be met and the feasibility of serving the targeted population over an extended affordability period can be demonstrated;
- The new investment is being made to maintain current affordable units, create additional affordable units, or both;

- Funds will not be used to repay multifamily loans made or insured by any Federal program, including CDBG.

1.5 **Ineligible Activities**

Ineligible Activities include:

- Reapplying for AHTF awards for the same proposed project using another source of leveraging while an AHTF commitment is still outstanding.
- Payment for the relocation of persons engaging in criminal activity or undocumented immigrants as defined by HUD in section 49 CFR Part 24.
- The payment of delinquent taxes, fees or charges on properties to be assisted with HOME funds.
- All projects with units reserved for homeless or formerly homeless households that require intensive services as defined in the PSHP regulations (Section 1.2) are ineligible to apply under this NOFA.

1.6 **Current Awards & Pending Applications**

Proposals that have received an award of funding through the AHTF NOFA or have an application pending at TCAC or any of the other leveraging sources are **not** eligible to apply for funding through the AHTF. Exceptions to this rule will be granted only under the following conditions:

- The current AHTF commitment has been relinquished by the applicant prior to the new application deadline; **or**
- The project type (e.g. family, seniors, special needs) has not changed since the original AHTF commitment; **and**
- Any material changes to project development costs must have been demonstrably beyond the control of the applicant.
- The applicant has obtained written approval from the Director of Major Projects prior to applying to the leveraging source.

Projects that reapply for AHTF financing pursuant to this section will be scored and ranked and will compete on par with all other applicants in this round.

1.7 **AHTF-Conditions of Commitment**

The maximum term of any letter of commitment will be for two (2) funding rounds for the selected leveraging funding source (18 months for Section 202 or 811 applicants). Applicants who fail to apply for the primary leveraging source identified in their application or fail to secure any or all sources of funding, in full or in part, will have their

AHTF commitment withdrawn. Letters of Commitment will, at minimum, be subject to the following conditions:

TCAC

If the applicant has specified to LAHD that a project would most likely compete for 9% Low Income Housing Tax Credits (LIHTC) as their primary leveraging source, project developers must apply for an allocation of 9% LIHTC in the next available TCAC Round. **Projects with current commitments involving TOD must provide evidence of an alternative permanent guarantee source acceptable to LAHD no later than January 29, 2010.**

HUD

Applicants that intend to apply for funding under Section 202 Supportive Housing for Elderly or Section 811 Supportive Housing for Persons with Disabilities must do so under the next available HUD Super NOFA.

City of Industry (COI) Funds

Projects that are eligible must apply to the Housing Authority of the County of Los Angeles at the first available opportunity after receiving an award under this NOFA and make a best faith effort to the satisfaction of LAHD to receive the maximum available award of City of Industry (COI) funds. COI funds will be substituted for up to 50% of the AHTF commitment unless a lower amount of substitution is necessary to ensure financial feasibility of the project as determined by LAHD at its sole and absolute discretion.

1.8 Maximum Loan Amounts

The following subsidy loan limits apply to all projects. Maximum subsidy may only be calculated for those units which will be restricted at or below 60% of Area Median Income (AMI) for the Los Angeles Metropolitan Statistical Area. The maximum LAHD loan available to any one project is \$14 million. In aggregate, the total outstanding loan amount to any one borrower, developer or general partner, may not exceed 5% of LAHD's loan portfolio balance. The borrower loan limits will be updated with each NOFA release.

Unit Type	9% Tax Credit Projects
202/811 & 0-Bdrm	\$83,660
1 bedroom	\$92,360
2 bedroom	\$97,360
3 bedroom	\$102,360
4 bedroom	\$107,360

Note: Special Needs subsidy is applied on a per-unit basis, not a per-bed basis.

Maximum subsidy for the following types of 9% tax credit projects will be 5% higher than the above limits:

- Projects located in South Los Angeles
- Projects located in Transit-Oriented Districts (TOD)
- Projects located in “Balanced Communities”
- Projects that received New Generation Fund (NGF) or Supportive Housing Loan Fund (SHLF) awards

1.8.1 South Los Angeles

A proposed project must be situated within the South Los Angeles boundaries (Exhibit 5). The geographic boundaries of South Los Angeles are defined as:

- Pico Boulevard to the North
- Alameda Avenue to the East
- Imperial Highway to the South
- La Cienega Boulevard to the West

1.8.2 TOD

A TOD-eligible proposed project must be part of a transit-oriented development located within one-quarter mile from a Transit Station serving:

- Heavy Rail (*METRO Red Line*)
- Light Rail / Bus Rapid Transit (*METRO Orange Line*)

as defined by Part 13 of Division 31 of the Health and Safety Code (commencing with Section 53560), which establishes the Transit Oriented Development Implementation Program, measured in a straight line from the nearest boundary of the Housing Development parcel to the outer boundary of the Transit Station site; and within one-half mile from a Transit Station, measured from the nearest boarding point of the Transit Station to the entrance of the residential structure in the Housing Development furthest from the Transit Station along a walkable route. The walkable route, after completion of the proposed Project, shall be free of negative environmental conditions that deter pedestrian circulation, such as barriers; stretches without sidewalks or walking paths; noisy vehicular tunnels; streets, arterials or highways without regulated crossings that facilitate pedestrian movement; or stretches without lighted streets.

For applications requesting the TOD subsidy boost, the following documentation is required:

- Scaled Distance Map and Parcel Map
- Bus/Train/Subway schedules

1.8.3 Balanced Communities

Developments located within a high income area, to encourage the creation of affordable rental housing. The proposed development may qualify if: a) it is located within a census tract where the average income is at or above 100% of the Los Angeles- Long Beach- Santa Ana, CA Metropolitan Statistical Area median, as verified by census data; or, b) located within a ½ mile radius where the average home sales prices are above 100% of the area median sales price for Los Angeles County, as published by the Standard & Poor's/Case-Shiller index of home prices or the California Association of Realtors.

1.8.4 New Generation Fund (NGF) / Supportive Housing Loan Fund (SHLF)

Projects that have received NGF or SHLF awards.

1.9 Density Bonus

Projects approved under Los Angeles Municipal Code Section 12.22-A.25 implements the State Density Bonus Program (*including parking reductions*), are subject to rents published by the State HCD, which are lower than Section 42 Low Income Housing Tax Credit rent levels.

Section 12.22 A.25 of the Planning and Zoning Code implements the State's Density Bonus Law (SB 1818) which sets forth provisions and procedures for housing developments to receive a density bonus and other incentives provided a requisite number of dwelling units are set aside for Low or Very Low Income Households as defined by Sections 50079.5 and 50105 of the California Health and Safety Code. These rent limits are based on income limits published by HCD and are **lower** than **IRS Code Section 42 LIHTC (TCAC) rent limits**.

Applications for projects seeking a Density Bonus, including reduced parking or any other incentives, **must** be consistent with the rent limits published by the HCD. Conditions of Approval for any Density Bonus project will require that prior to loan closing, a covenant is recorded that restricts the units to the HCD rent levels. Exceptions are allowed pursuant to the Zoning Administrator's Interpretation Case No. ZA-2009-2676, Section 12.22-A, 25(d)(2) of the Los Angeles Municipal Code – Density Bonus Provisions. Such applicants are strongly encouraged to confirm the requirements with LAHD's Occupancy Monitoring Division prior to submitting an application under this NOFA. The Occupancy Monitoring Division can be reached at (213) 922-9664.

1.10 Loan Terms and Conditions

1.10.1 Type

Acquisition, Predevelopment and Construction or Permanent Financing only.

1.10.2 Interest Rate - The interest rate for all loans is 5% (simple interest). LAHD reserves the right to negotiate a higher or lower interest rate if it is found to be beneficial to the project.

1.10.3 Calculation of Interest - Simple interest will be calculated on the loan amount outstanding and based upon a 365-day year and actual number of days elapsed.

1.10.4 Payment - Interest will be paid from residual receipts of the project. Unpaid interest will be deferred and due at maturity of the loan.

1.10.5 Term - Forty-Two (42) Years (24 month construction period plus 40 year permanent loan period).

1.10.6 Conditions for Conversion – LAHD will not allow a construction loan to convert to a permanent loan without the following conditions being met:

- Receipt of a Certificate of Occupancy, a Temporary Certificate of Occupancy or acceptable evidence of final sign-off from the Los Angeles Department of Building and Safety.
- Achievement of 90% occupancy.
- LAHD receipt of complete rent rolls.
- Evidence of application for property tax abatement if original proforma contemplated tax abatement.
- Evidence that any conventional debt for the project has closed or will close concurrently.

1.10.7 Relocation

Permanent displacement of the project site's residents is to be minimized. The cost of relocation will be considered in assessing the feasibility of the proposed development. At minimum, a new construction project must net 100% more units than the amount proposed to be demolished (i.e., double).

If the proposed site was occupied during the six months prior to or during purchase negotiations, a relocation plan must be submitted. The relocation plan must be completed and carried out by a qualified relocation consultant. A copy of the relocation agreement and consultant's resume/qualifications must also be submitted under this NOFA. The relocation plan must include at a minimum:

- A reasonable cost estimate;
- Identification of the number of households or businesses to be displaced;
- A current rent roll at the time of this application;
- Addresses of the required relocation notices; and,
- A description of the proposed advisory services to be provided to the displaced households/businesses.

All projects will be required to adhere to the Uniform Acquisition and Relocation Act of 1970 (URA), Section 104(d) of the Housing and Community Development Act of 1974, amended, and/or the City of Los Angeles' Rent Stabilization Ordinance (RSO), whichever is applicable to each individual household and is most financially beneficial to the individual household. Please note that at minimum, the RSO relocation benefit amount must be provided to each qualifying household where the federally-prescribed relocation assistance amounts are less than the current RSO-prescribed amount; however, federal funds that are granted through this NOFA can only reimburse relocation costs that are supportable by URA and Section 104(d) regulations. A completed Acquisition-Relocation Project Summary Assessment Form (Attachment 4) must be submitted with the NOFA application. A completed Relocation Tenant Rent Roll (Attachment 4a) must also be submitted, in both hard copy and Microsoft Excel format.

URA regulations require that persons who are scheduled to be displaced must be provided with a General Information Notice (GIN) (Attachment 4b) as soon as feasible. For the purposes of this NOFA, "as soon as feasible" is the application deadline date for NOFA applications. It is therefore required that copies of the General Information Notices sent to each of the tenants residing at the project site be submitted with the NOFA application, along with proof that the notices were received by the intended recipients. In addition, the GIN must state that local, state, and/or federal regulations regarding relocation or displacement payments may apply. The exception to this requirement is if the developer can provide evidence of good cause as to why it was infeasible to issue GINs and provide proof of service at the time of NOFA application. In this instance, the developer must submit, along with the tenant rent roll, a written statement detailing why it was not feasible to serve the GINs. However in all cases, GINs must be served prior to receipt of the loan commitment, and evidence of such notices must be received by LAHD within 30 days of service to the displace and/or property owner. If the project fails to secure a funding commitment, either through this NOFA or the chosen leveraging source(s), all GINs must be rescinded.

1.10.8 Property Management

Skilled property management is critical to the success of affordable housing developments. At the time of application, candidates must submit a Property Management Plan (Attachment 9). This information will be used in the proposal evaluation process. Before LAHD will commit to funding any loan for a project selected through the NOFA process, the developer must submit the qualifications of its management entity. LAHD reserves the right to approve the property management firm for each project. If during the life of the project, LAHD determines that the costs associated with management of the property are higher than those for comparable projects, or that the property management company is not acting in good faith, LAHD may require a change in the property management provider.

1.10.9 Leasing Preference

For AHTF funded projects, the developer must ensure that leasing priority is granted in the following order prior to offering the units to the general public:

- To displaced tenants meeting income and other eligibility requirements *(for projects located within CRA/LA Redevelopment Areas only; please refer to California Health and Safety Code Section 33411.3)*
- To persons currently residing in the City of Los Angeles meeting income and other eligibility requirements

The developer is required to retain up-to-date records of the relocated/displaced tenants' addresses and to properly notify said tenants of lease-up information. Copies of the notices, with proof of delivery, must be delivered to LAHD for all tenants that were listed in the Relocation Tenant Rent Roll.

In order to help house "situationally homeless" families, the Housing Authority of the City of Los Angeles (HACLA) has agreed to work with the LAHD in creating a process that facilitates giving preference in leasing to families referred by non-profit agencies providing social services under contract with HACLA. Please note that the "situationally homeless" families referred to these projects by HACLA contract agencies shall NOT demonstrate the need for intensive services, as defined in the Permanent Supportive Housing Program NOFA (Section 1.2). For all intents and purposes, leasing preference shall be extended to families that have experienced a recent, non-chronic episode of homelessness. Tenants would also be required to meet all of the projects occupancy requirements. The developer/property management company would not, however, be required to hold 10% of its units off-line if a sufficient number of qualified, priority referrals are not received along with the at-large pool of applicants.

1.10.10 Misrepresentations or Material Changes to the Project

Any changes regarding the borrowing entity or changes to the project's design, including but not limited to unit count, unit configuration, and/or financial structure of either the applicant or the project subsequent to the submittal of the AHTF application must receive LAHD's written approval, otherwise, LAHD reserves the right to withdraw its commitment. In the event misrepresentations are made regarding either the borrowing entity or the project, LAHD's commitment will be cancelled.

1.10.11 Equity Share

For any loan funded by the LAHD, if the borrower fails to perform within a specified period of time and the property is ultimately sold, LAHD will be entitled to a share in any appreciation that has occurred between the price paid

at acquisition and the time of sale. LAHD's share in the appreciation will be equal to the proportion of the LAHD loan amount to the original purchase price of the property.

1.10.12 Repayment

Acquisition/Pre-development and Construction Loans - Payment of principal and interest will be deferred during the predevelopment and construction periods as long as the project is not in default.

Permanent Loans - Permanent Loans are generally repaid through a residual receipts note which allows the project to repay principal and accrued interest when adequate cash flow is available for distribution. LAHD receives its pro-rata share of the cash flow remaining after the following allowable deductions: (1) operating expenses calculated on a cash basis; (2) debt service on senior project debt; (3) payments to the operating reserve fund; (4) payments to the replacement reserve fund; (5) repayment of general partner loans; (6) deferred developer fees; and (7) related party management fee up to fifteen thousand dollars (\$15,000).^{*} LAHD will allow no other fees to be deducted prior to payment of residual receipts to the LAHD.

** The maximum allowable pre-approved related party management fee is up to \$15,000. This fee must be substantiated prior to the closing of the loan by the developer and cannot include charges for any office overhead for the development of the project or project operating expenses.*

1.10.13 Security

The LAHD loans will be evidenced by a promissory note and secured by a deed of trust.

1.10.14 Subordination

The LAHD may, at its discretion, subordinate repayment, security positions and affordability covenants to a conventional lender or other public agency lender.

1.10.15 Affordability Covenant/Regulatory Agreement

For all proposed projects, the required term of the affordability covenant will be fifty-five (55) years from the completion of construction, or the maximum required by TCAC, HUD or CDLAC, whichever is longer. The affordability covenant remains in effect for not less than the agreed-upon term regardless of the date upon which the LAHD loan is fully repaid.

1.10.16 Default

The loan agreement will specify the events which may cause LAHD to declare the borrower in default. These events include, but are not limited to:

- Development or operational cost overruns
- Failure to construct the proposed project within the time agreed

- Breach of rent covenants
- Failure to maintain the property
- Failure to make agreed-upon loan repayments
- Failure to receive an LAHD approval prior to any change in ownership entity
- Breach of affirmative action, equal opportunity, contractor responsibility, equal benefits or MBE/WBE requirements
- Failure to submit annual financial statements certified by a certified public accountant and the borrower's failure to abide by Davis-Bacon or Prevailing Wage requirements
- Failure to maintain appropriate insurance coverage
- Commencing construction including demolition without LAHD authorization
- Failure to abide by development and/or construction schedules
- Failure to maintain the project "in balance" during construction
- Bankruptcy
- Dissolution or insolvency of the ownership entity

1.11 Cost Guidelines

1.11.1 Purchase Price

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 prepared by a California State Certified General Appraiser prepared not more than six months prior to the date of the property's acquisition. The appraisal may not determine property value based solely on sale of comparables financed by public agencies. Additionally, if the subject site is being sold by an entity related to the newly proposed ownership entity, any mark-up on the land costs must be clearly stated and will be subject to LAHD approval.

1.11.2 Cost Controls

All contracts, including but not limited to Owner/Architect, Owner/Consultants and Owner/General Contractor must be approved by LAHD. All contract agreements entered into prior to submittal of an AHTF application are subject to LAHD review and approval.

Developers are required to submit a "Schedule of Values" for construction costs. These costs should take into consideration anticipated increases in construction labor and materials costs through the projected construction period. Applicants should not expect LAHD to fill any additional financing gaps that occur as a result of rising prices.

1.11.3 Competitive Bid

If at the time of application, the general contractor was not identified as part of the development team, the construction contract shall be awarded through a competitive bid process. The Borrower shall utilize a Request For

Qualifications (RFQ) process (soliciting a minimum of 3 contractors). Awards will be made to the responsible firm whose proposal is most advantageous to the project with price and other factors considered. Criteria for selection should include, but not be limited to: the success of previous projects; experience and track record for bringing projects in on time and on budget; amount of overhead and profit; whether the general contractor can do the job within the time frame required; contractor integrity; and, the breadth of financial and technical resources to support the project. The general contractor, construction contract, and any change orders issued thereunder, will be subject to the LAHD's approval. If at the time of application, a general contractor has been selected and is identified as a member of the development team, the developer/ general contractor must provide a minimum of three (3) sub-bids of each major trade including but not limited to site work, concrete, carpentry, drywall, plaster, mechanical, electrical and plumbing.

1.11.4 Disallowed Costs

The LAHD reserves the right to disallow any costs which it believes to be excessive, avoidable unwarranted or disallowed pursuant to any and all funding guidelines. Additionally, LAHD will not approve a loan based on costs, which are unreasonable or inconsistent with industry standards. Construction estimates will be reviewed at the time of application and any estimates that are considered to be excessively high or low may result in the rejection of the application.

1.11.5 Davis-Bacon Wage Requirements

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. Projects utilizing LAHD funds will be subject to the payment of wages to laborers and mechanics at a rate not less than the minimum wage rate specified by the Secretary of Labor, in periodic wage determinations (Davis-Bacon Wages), in conformity with either HOME or CDBG regulations. Applicants need to be aware that the wage decision employed will depend upon the size (height) of the project. Projects over four stories must use a Commercial Wage Determination whereas those four stories and under, use a Residential Wage Determination.

1.11.6 Prevailing Wage Requirements

Any project funded in whole or in part with Community Redevelopment Agency (CRA/LA) funds are subject to State Prevailing Wage Requirements. In addition, tax-exempt bond-financed project or MHP-funded project located within the City of Los Angeles must pay wages to laborers and mechanics at either the State of California prevailing wage requirements or Davis-Bacon wage rates, whichever is higher. **Project sponsors shall be responsible for determining the applicability of residential versus commercial wage scales.**

1.12 Architectural Design

All projects vying for funding shall undergo an architectural review. To be competitive, proposed projects should comply with LAHD Architectural Guidelines (Exhibit 2). Applicants must provide written rationale that explains the project design, along with at minimum submit two (2) sets of 24" x 36" architectural plans, except for "cosmetic rehabilitation projects" or rehabilitation projects that do not involve structural changes or reconfiguration of existing units. . The written rationale should be consistent with the submitted design. For "cosmetic rehabilitation projects", applicants are required to submit a property needs assessment report or engineering inspection report as discussed in Section 2.3.5 of this NOFA. Aesthetic and environmental considerations will be part of the review process. Projects that reflect community input and support and serve to enhance the surrounding community are encouraged.

If demolition of residential units is proposed, the applicant must explain why such an approach is necessary. Structures eligible for listing on the National Register of Historic Places may only be demolished subject to completion of environmental review and approval. Structures built before 1978, which require rehabilitation or demolition, will require a budget for lead and asbestos testing and abatement.

1.13 Supportive or Enhanced Services

Though not required, housing developments benefit greatly from a coordinated services program which enhances the physical living environment provided by the project. If supportive or enhanced services are proposed, a supportive services plan and budget are required and will be evaluated as part of assessing the long-term viability of the project. The supportive services plan should include the following:

- A description of the population the project intends to serve as well as their service needs.
- A description of the supportive or enhanced services to be provided, including the names of the agencies responsible for providing the services, evidence of the service provider's capability and experience (e.g., resume, list of clients, client recidivism rate, etc.).
- A description of the manner in which services will be provided (how, when, where and how often).
- A plan for funding the services accompanied by detailed Letters of Intent from service providers and/or funding sources indicating specific commitments to fund or provide the supportive services. If the applicant is a service provider using its own funds, include a letter indicating its capability and commitment.
- The applicant must identify the funding sources for the supportive services portion of the project. A separate budget must be submitted for this purpose.
- Income generated by the project may not be utilized to fund supportive services prior to the payment of residual receipts. However, depending on the program, borrowers are allowed to deduct either \$400 or \$800 per unit per year from cash flow to pay for service coordination, prior to calculating the residual receipt payment. Not more than \$400 per unit per year will be allowed towards funding supportive service coordination for special needs populations as defined in

Section 1.2 on an annual basis. For projects serving seniors or other tenant populations, not more than \$100 per unit per year service coordination deduction will be allowed.

- Inflation for the annual service coordination fee (on the \$400 or \$800 per unit, per year base) may be indexed according to the Consumer Price Index-All Urban Consumers for the Los Angeles/Riverside/Orange County areas (CPI). The calculation will be based on the change in the CPI over the previous calendar year, expressed and rounded to the nearest whole number.

1.14 Notices To Developers Regarding Environmental Review

The National Environmental Policy Act (NEPA) was established in 1969 to give environmental values appropriate consideration in decision-making with regard to federally-funded projects. Because you have applied for federal funds for your project, the environmental review process and clearance must meet the NEPA standards.

In addition, your project must meet the requirements of the California Environmental Quality Act (CEQA) and obtain CEQA clearance through the City of Los Angeles' Department of City Planning (Exhibit 3). Unfortunately, NEPA and CEQA environmental laws differ in their requirements. Project approval under CEQA does **not** constitute NEPA project approval (and vice-versa).

An initial award of funds does not constitute either a commitment of funds nor site approval until a satisfactory completion of a NEPA environmental review and receipt by the City of Los Angeles of a Release of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The provision of any funds to the project is conditioned on the City of Los Angeles Housing Department's determination to proceed with, modify or cancel the project based on the results of subsequent NEPA environmental review. Furthermore, the applicant shall not undertake or commit any funds to physical or choice-limiting actions, including further property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the NEPA environmental clearance. Violation of this provision may result in the denial of any funds under the agreement.

1.15 Other Public Benefit Requirements

1.15.1 Section 3 (Local Hiring); Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Requirements

Applicants utilizing LAHD funds must ensure and certify that their general contractor, subcontractors and/or service providers will provide opportunities for employment to lower-income neighborhood residents in the City of Los Angeles. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to local businesses. In addition, contractors, subcontractors and/or service providers will be expected to adhere to the City's Affirmative Action Requirements.

1.15.2 Article 34 Requirements

All projects, both new construction and rehabilitation, must be in compliance with Article 34 of the California State Constitution.

1.15.3 Assurances and Conditions Certification

The authorized signatory(s) for each applicant organization must read the Assurances and Conditions outlined below and submit a completed Assurances and Conditions Certification form (Attachment 1). By doing so, the applicant acknowledges understanding of and agreement with the provisions that will be required at the time of contract negotiations.

1. **Affirmative Action:** The City's Administrative Code (Division 10, Chapter 1, Article 1, Section 10.8) establishes the affirmative action program for vendors doing business with the City. As a condition of contract award grantees will be required to comply with the provisions of the City's Affirmative Action program, including submission of the City's Affirmative Action form with an Affirmative Action Plan.
2. **Insurance:** The chosen contractor(s) must provide evidence of minimum insurance coverage requirements.
3. **Service Contract Worker Retention Ordinance and the Living Wage Ordinance (SCWRO and LWO):** The chosen contractor(s) shall comply with all Los Angeles Administrative Code (LAAC) Sections 10.36 et seq., SCWRO and LWO. A Declaration of Compliance must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.
4. **Equal Benefits Ordinance (EBO):** The chosen contractor(s) must be certified as complying with the Los Angeles Administrative Code Section 10.8.2.1, EBO prior to the execution of any City Agreement. The EBO forms must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.
5. **Certifications:** Applicant(s) shall provide copies of the following documents to the LAHD:
 - A. Certification Regarding Ineligibility, Suspension, and Debarment as required by Executive Order 12549.
 - B. Certification and Disclosure Regarding Lobbying. Contractor(s) shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by the Contractor(s).

6. **Proof of IRS Number (W-9):** All contractors are required to complete and submit the Proof of IRS Number (W-9) Form.
7. **Slavery Disclosure Ordinance:** Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFQ will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.
8. **MBE/WBE/OBE Subcontractor /Supplier Information:** The Contractor shall submit the MBE/WBE/OBE Form and comply with the City's Minority Business Enterprise (ME), Women Business Enterprise (WBE), and other Business Enterprise (OBE) outreach requirements as appropriate.

1.16 Incentive Programs

1.16.1 LAHD/LADWP Sustainable Building Incentive Program

Proposed projects submitted for funding may qualify to receive additional funds to finance energy efficiency. To qualify, projects must exceed Title 24 Energy Standards by a minimum of 10% for new construction, or increase existing energy efficiency by at least 25% for rehabilitation projects. These increases in efficiency must relate to both electric usage and water conservation.

Projects that meet the above criteria and LAHD/LADWP Sustainable Building Incentive Program Requirements (See Exhibit 4) may be eligible for up to \$200,000 in additional funding (to fund "energy efficiency components"), the proceeds of which would be included as a part of the AHTF total commitment. These additional funds would not be subject to the subsidy loan limits outlined in Section 1.7 of this NOFA.

A letter of certification or energy calculations from the project architect or mechanical engineer must be submitted. Exhibit 4 explains the requirement for funding under the LAHD/LADWP Sustainable Building Incentive Program.

1.16.2 Lead-Based Paint Hazard Remediation Program

LAHD will continue to make available the Lead-Based Paint Hazard Remediation Program as an additional financial incentive. Projects submitted for funding may qualify to receive additional funds to finance the remediation of lead-based paint hazards (See Exhibit 6). Projects that meet the program's requirements may receive up to \$4,500 per unit (a maximum of \$225,000 per project) in additional funding. These funds would not be subject to the subsidy limits outlined in Section 1.7.

PART 2 THRESHOLD REQUIREMENTS

For applications to be considered complete, they must contain all items listed (as applicable) on the application checklist. All proposed projects must meet the minimum LAHD-NOFA threshold requirements for new construction and/or rehabilitation projects. If an application does not meet these threshold requirements, it **will not** be considered for funding. Determination of completeness and compliance with thresholds and scoring of the application shall be based entirely on the documents contained in the application as of the filing deadline. No additional documents shall be accepted subsequent to the application filing date.

2.1 **Leveraging Source Application**

In combination with the AHTF NOFA application, developers must submit **two (2) complete applications with all applicable attachments** for one or more of the following leveraging sources, except for required third-party reports not otherwise required by this NOFA, that will be outdated by the application deadline to the primary leveraging source:

- TCAC
- HUD (202 or 811 program)
- Public or private sources combined with 4% tax credits

Failure to provide one of the above applications, in combination with LAHD's AHTF application, will result in the proposed project being rejected based on threshold criteria. The application that has been designed by LAHD for the AHTF is to supplement information that is required by TCAC and HUD.

2.2 **Organizational Documentation**

2.2.1 **Formation -**

Applications must identify ALL members of the Development Team. The following documents (as applicable), must be submitted:

1. An organizational chart of the proposed ownership structure, supported by all required organizational documents for each entity shown on the chart;
2. A current Business License issued by the City of Los Angeles;
 - A. WITH RESPECT TO A CORPORATION:
 - 1) Certificate of Good Standing issued by the Secretary of State, issued within six months prior to the NOFA application deadline
 - 2) Articles of Incorporation
 - 3) By-laws, which reflect as one of its purposes, the development and/or management of affordable housing

- 4) Current list of Board of Directors
- 5) A certified copy of a resolution of the Board of Directors, executed within 90 days of the NOFA application deadline. The resolution must include:
 - a. Authorization to participate in the NOFA
 - b. Authorization to enter into and execute any and all contractual obligations, including but not limited to the City of Los Angeles Land Use Regulatory Agreement, Loan Agreement, and other documentation, as may be required by the City of Los Angeles
 - c. Names and offices of the authorized signatories who may act on behalf of the corporation, based on the required categories below
- 6) If the borrowing entity is a not-for-profit corporation, a copy of its 501C(3) or (4) designation must also be submitted

B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:

- 1) A certified copy of the certificate of limited partnership (form LP-1) and any amendment thereto (form LP-2) recorded in public records
- 2) A full copy of the partnership agreement and any amendments
- 3) A satisfactory evidence of the consent of a majority in interest of the limited partners for the limited partnership to participate in the NOFA, and to enter into and execute any and all contractual obligations, including but not limited to the City of Los Angeles Land Use Regulatory Agreement, Loan Agreement, and other documentation, as may be required by the City of Los Angeles

C. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

- 1) A copy of its operating agreement and any amendments thereto
 - 2) A certified copy of its Articles of Organization (LLD-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of article of organization (LLC-10) recorded in public records
3. Sample signature block to be used in execution of loan documents entered into with LAHD.

With respect to execution of any loan documents, pursuant to California Corporations Code §313 and *Snukal v. Flightways* (2000) 23 Cal. 4th 754), all

documents executed or entered into by LAHD with a corporation should have the signature of an officer in each of the following two categories:

- A. Chairman of the Board, President, or any Vice-President; and,
- B. Secretary, any Assistant Secretary, Chief Financial Officer, or any Assistant Treasurer

2.2.2 Financials

Financial statements for the last three years (Balance Sheet, Income Statements, Cash Flow Statements with notes shall be submitted with the complete NOFA application) and as applicable, subsequent Quarterly Statements.

2.3 Reports

2.3.1 Appraisal

All applicants that will be requesting LAHD funds for acquisition expenditure reimbursement must submit an AS IS appraisal prepared not more than six months prior to the date of the property's acquisition. If the property has not been purchased, applicants must submit an AS IS appraisal prepared not more than six months prior to the date of the purchase contract. The appraisal must be prepared by a California State Certified General Appraiser. In addition, the appraisal may not determine property value based solely on sales comparables of properties financed by public agencies. If a residential income approach is not utilized, applicants may submit either a separate market study completed within the last six (6) months, or the "TCAC Rent Comparability Matrix".

2.3.2 Phase I or Phase I with required Phase II

Every application must include a Phase I Environmental Assessment which must follow the standards outlined in the American Standards of Testing and Materials (ASTM) standards (E 1527-05) to discover the potential presence of onsite and neighboring property contamination, (including but not limited to lead-based paint, asbestos, and methane) and will have been completed within the last six (6) months. If a project's Phase I Environmental Assessment indicates the need for further assessment, a Phase II report must be submitted. The applicant must include a cost estimate for any required remediation.

2.3.3 Lead/Asbestos

All rehabilitation projects and new construction projects, which involve demolition of existing structures in advance of the rehabilitation or new construction, must submit an asbestos assessment and lead-based paint report completed within the past twelve (12) months. For new construction projects where there is complete demolition of all existing structures, the applicant may submitted a letter in lieu of a lead test report indicating that he/she will assume the presence of lead and follow the appropriate (federal, state, and local) lead hazard abatement protocols. For occupied sites, assessment must include

minimally-invasive sampling of readily-accessible surfaces. Testing for asbestos shall be subject to AQMD standards. As it relates to lead-based paint, testing and compliance shall be consistent with those standards outlined in HUD's "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995), including chapter 7- Lead-Based Paint Inspection (1997 Revision), which are the industry standard. If the assessment determines that lead is present, (except for new construction with complete existing structure demolition as indicated above), a Lead Abatement Plan must be submitted with application.

2.3.4 Soils Report

All new construction projects must submit a soils report completed within the last twenty-four (24) months for the purpose of evaluating the geo-technical engineering characteristics of the on-site subsurface soils relative to the anticipated development. The report shall include the description of the field exploration and laboratory tests performed; evaluation of soil liquefaction potential; conclusions and recommendation relating to construction of the proposed residential development based upon the analyses of data from exploration and testing programs; and knowledge of the general and site-specific characteristics of the subsurface soils. Reports for sites occupied by structures must include subsurface investigations that are conducted in compliance with, and subject to, City of Los Angeles' Department of Building and Safety standards.

2.3.5 Engineering Inspection (for all rehabilitation projects)

All rehabilitation projects must submit a property needs assessment report or an engineering inspection report completed within the last twelve (12) months, from a qualified engineer or building inspector, to identify the remaining life of all major systems including, but not limited to, plumbing, electrical, HVAC, foundation, and roof. The purpose of the aforementioned inspection is to reduce the likelihood of unforeseen conditions which could substantially change the cost and/or scope of work approved. Additionally LAHD may require that a cost certification be prepared to determine if the cost and scope of work identified by the developer matches those of the property inspector and engineering assessment. Should it be determined that the additional costs identified render the project infeasible, it will be the responsibility of the developer to secure non-City funds for the identified costs. If the developer is not able to do so, the commitment of City funds will be withdrawn. In order to score projects appropriately, it will be necessary that any document submitted as proof of site control, permits access to the property for all inspections identified above. A code inspection will also be conducted by LAHD as part of its review process.

At-risk/rehab projects should also include work write-up, detailed specs, schematic drawings, plot plan, floor plan, and a cost estimate.

2.3.6 Environmental Checklist & Historic Preservation

Applicants shall submit a completed LAHD Environmental Checklist (Attachment 2) and all of the following supporting documentation (as applicable):

- Dated color photographs of the entire project site and all properties surrounding the project site. If there are buildings on the site, all sides of the building(s) shall be included;
- Project description must include information on whether the project area and environs contain any properties listed on the National Register of Historic Places, the State of California inventory of historic places, or local inventory of historic places; and
- Whether there are properties that appear to be historic within the boundaries or within a ½ mile radius of the project.

Applicants are strongly advised to submit this documentation separately, in advance of the application deadline, to allow for maximum available time to complete the environmental review prior to the leveraging source application submission deadline.

2.4 Community Support

Council Office Support

All applicants must submit a letter of support for commitment of City funds to the project from the Council Office(s) in which the project site(s) is/are located. The date of the letter must be within six (6) months prior to the application deadline date.

CRA/LA Letter of Acknowledgement and Support

The AHTF application requires that the CRA/LA prepare a letter of acknowledgment and support for all project sponsors (Attachment 8). This letter is intended to ensure that the CRA/LA is aware of all potential projects within redevelopment project areas. Please note that the submission of said letter is a threshold requirement. The date of the letter must be within six (6) months prior to the application deadline date.

2.5 Site Control

At the time the application is filed, the applicant must demonstrate to LAHD's satisfaction that the property was acquired from the seller voluntarily and that the applicant has and will maintain control of the property for which a City loan is requested, through the period required by the identified leveraging source (TCAC, HUD). A current title report (not older than 90 days) must accompany site control documents. Evidence of site control may be demonstrated by any of the following documents:

- Fee title as demonstrated by a current title report (within 90 days of this application date)
- Long-term leasehold interest (minimum term must equal the term of LAHD regulatory agreement)

- Option to purchase or lease (obtaining financing shall be the sole impediment to exercising the option)
- Executed land sale contract or other enforceable agreement for acquisition of the property
- An executed disposition and development agreement with a public agency (e.g., the Community Redevelopment Agency)

Because the LAHD will use federal funds in the Affordable Housing Trust Fund, each purchase option or purchase agreement submitted in fulfillment of this threshold requirement must contain an acknowledgement that even though government funds may be used in the acquisition of the property, the property will not be acquired through the use of eminent domain.

Documentation regarding the voluntary acquisition of the property shall consist of a Letter Regarding Voluntary Acquisition (Attachment 4c). The letter shall be typed on the Developer's/Applicant's letterhead and addressed to the seller/previous property owner, stating that the Developer/Applicant is interested in acquiring the property for a proposed project that may receive funding assistance from HUD, but that the Developer/Applicant does not have the authority to acquire the property through eminent domain. The letter must also include the offer amount, which must be representative of the current market value.

If the property has already been acquired, a retroactive Letter Regarding Voluntary Acquisition is required, regardless of the length of time the developer has been in possession of the property. The developer must provide the LAHD with the written notice that was sent to the seller, evidence that the seller received it, and documentation regarding the method used to determine the fair market value. If the developer is unable to provide the letter at the time of NOFA application, a statement of assurance must be submitted with the application, stating that all attempts will be made to meet the requirement prior to the issuance of an LAHD funding commitment.

2.6 Zoning and Land Use Compliance

The applicant must demonstrate to LAHD's satisfaction that the project as proposed will be able to meet all zoning and land use requirements prior to the issuance of an LAHD funding commitment. These include but are not limited to general plan amendments, re-zonings and conditional-use permits. At time of application, an Affordable Housing Referral Form must be submitted to LAHD, with project information completed by the project sponsor (Attachment 10). LAHD will forward the form to the Los Angeles City Planning Department to verify whether the project as stated is appropriately zoned and in compliance with all zoning requirements and local land use ordinances. If a condition or requirement is pending, the project will be disqualified for violation of threshold criteria unless a public hearing is waived or scheduled prior to the issuance of an LAHD funding commitment.

2.7 Architecture and Design Use Criteria

All projects must submit a Direct Construction Cost Summary, "Schedule of Values" (Attachment 3) for the proposed work and at minimum submit two (2) sets of 24" x 36" architectural plans, except for "cosmetic rehabilitation projects" or rehabilitation projects that do not involve structural changes or reconfiguration of existing units. For "cosmetic rehabilitation projects", applicants are required to submit a property needs assessment report or engineering inspection report as discussed in Section 2.3.5 of this NOFA. In addition, applicants must make the proposed project architect aware of LAHD's Architect Consent and Assignment policies as outlined in Exhibit 2.

2.8 Minimum Feasibility

All projects must demonstrate financial viability supported by a 15-year cash flow proforma which shows positive cash flow. Projects must use the respective underwriting criteria required by the identified leveraging source in combination with LAHD guidelines detailed in Part 4 of these Regulations. Proformas submitted must be accompanied by funding commitments from all sources identified except the leveraging source proposed. Letters of commitment must also be submitted for any proposed deferred funding source.

2.9 Relocation

If the proposed site was occupied during the six months prior to or during purchase negotiations, a relocation assessment must be submitted. The relocation assessment must be completed by a qualified relocation consultant and must include a detailed cost estimate based on compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ([Uniform Act](#)) and other HUD requirements including [Section 104\(d\)](#) of the Housing and Community Development Act. Applicants must also submit the Acquisition-Relocation Project Summary Assessment Form (Attachment 4), a completed Relocation Tenant Rent Roll in a hard copy and Microsoft Excel format (Attachment 4a), and a copy of the General Information Notice that was issued to each of the prospective displacees (Attachment 4b). In addition, a copy of the relocation consultant's agreement and the consultant's resume/qualifications must be provided.

2.10 Defaults, Foreclosures and Citations

All applicants, including partners and principals, must disclose bankruptcies, defaults or foreclosures, conflicts of interest or any event which could lead to a potential bankruptcy, default or foreclosure or conflict of interest by completing and submitting the LAHD Credit Check Authorization (Attachment 5). For this purpose, violation of terms, conditions and/or covenants, whether or not a Notice of Default has been recorded, is deemed a default. Failure to disclose an actual or potential bankruptcy, default or foreclosure or conflict of interest will result in the rejection of the application and/or will be considered an event of default in LAHD's loan documents. All code violations and their remediation on existing projects must also be disclosed. Additionally, LAHD's commitment of funds may be withdrawn if any of the above-mentioned actions are discovered after the commitment is made.

If disclosure is made with respect to the above, the applicant must provide a complete explanation of the circumstances and current status. LAHD, in its sole discretion, will determine if the explanation is acceptable. An unacceptable history of delinquencies, bankruptcies, defaults or foreclosures, or conflicts of interest are all, singularly or in combination, grounds for rejection of the application at the threshold stage.

2.11 Failure to Comply with Davis-Bacon

Applicants who have repeatedly attempted to avoid the payment of Davis-Bacon and/or State Prevailing wages, or who have been referred to the Department of Labor, the Department of Housing and Urban Development, the California Labor Commission or any other enforcement agency, may be disqualified. Additionally, any project which does not submit construction costs at the applicable Davis-Bacon/Prevailing wage level may also be disqualified. An applicant must submit written certification that they will comply with Davis Bacon or State Prevailing Wage requirements (Attachment 6).

2.12 LAHD Business Policy

LAHD has worked with a substantial number of developers over the years to create affordable housing. However, in some cases, developers exceeded their capacity to complete projects that have received City funding commitments. In response, LAHD received approval from the Mayor and City Council to adopt the Department's Business Policy. The Business Policy provides direction concerning specific collection steps but more importantly, renders applicants and their related partnerships ineligible for City assistance when the applicants are in non-compliance with their loan agreements or other contract(s) with the City of Los Angeles. Non-compliance includes but is not limited to any monetary or non-monetary compliance issues, such as failure to submit payments when due, failure to submit required financial statements in a timely manner, failure to submit documents verifying adherence to rent regulatory agreements when required, failure to comply with the requirements of any rent regulatory agreement or covenant, and failure to correct any building deficiency noted by any governmental agency in a timely manner. An application is deemed ineligible to compete for funding if any member of the applicant's ownership entity has an interest in a current project or projects that are in monetary or non-monetary default. Rehabilitation projects involving properties placed into LAHD's Rent Escrow Account Program (REAP) under the current ownership and remaining out of compliance at the time of application are also ineligible to compete for funding.

In accordance with the LAHD Business Policy, the applicant must provide at the time of NOFA application a list of ALL residential income properties located within Los Angeles City limits that the applicant and the applicant's partners and/or principals have (or previously had) a vested interest in, including all properties currently or previously owned by any of the aforementioned parties, regardless of funding source (Attachment 7b). The attachment must be submitted in both hard copy and Microsoft Excel formats.

LAHD will conduct a background check based on the information provided to determine if any outstanding financial statements, residual receipts payments, Rent Registration or Code (SCEP) fees are due, if there are unpaid property taxes, lapsed insurance or

outstanding cited habitability violations, and/or if the property is in any of the City's compliance programs due to unabated habitability violations (i.e., REAP). Failure to disclose all applicable properties may result in disqualification of the application.

2.13 Contracts

Copies of all contracts, which were entered into as part of the development of the proposed project, must be submitted as part of the NOFA application and are subject to LAHD approval.

2.14 Untenable and Substandard Units

The "Applicant(s)/Borrower(s) Certification Statement" (Attachment 7), requires that the applicant list all residential income properties when the following are true: 1) the properties are owned by the applicant, 2) the properties are owned by any of the applicants' partners, or 3) the properties are those in which any of the applicants' principals have a vested interest in them. If one of those properties has substandard units or untenable units, the application will not be reviewed or eligible for funding until the deficiencies are cured. If deficiencies are not resolved, the project will be rendered ineligible for failure to meet threshold criteria.

2.15 Property Management Plan

At the time of application, applicants must submit a management plan (Attachment 9). This information will be used in the proposal evaluation process. Before LAHD will commit to funding any loan for a project selected through the NOFA process, the developer must also submit the qualifications of its management entity, as well as all information required under Sections 1.9.7, 1.9.8, and 1.9.9 of this NOFA.

PART 3 SELECTION CRITERIA

Each application will be evaluated and scored according to the criteria established by the respective leveraging source that has been identified by the applicant. As such, applications should be structured utilizing the most recent selection criteria established by either TCAC or HUD. TCAC projects must score the minimum number of points according to TCAC's Sustainable Building Methods criteria as outlined in the Architectural Guidelines (See Exhibit 2).

In addition to the selection criteria of the proposed primary funding source, LAHD will also consider the following factors during its final ranking and selection. Please note that proposed projects which do not satisfy this NOFA's threshold requirements, will not be evaluated.

3.1 Project Feasibility

This category will determine whether the project, as proposed, is financially feasible and demonstrates long-term viability as an affordable housing project. Projects must use the respective underwriting criteria required by each identified leveraging source in combination with LAHD guidelines detailed in Part 4 of these Regulations.

3.1.1 Assessment of Cost and LAHD Subsidy

The reasonableness of the estimated development costs will be analyzed in relation to the type and size of the development. LAHD staff and consultants will perform a detailed underwriting and cost estimating review of the submitted costs. Applicants must include comprehensive notes and assumptions with financial exhibits and detailed construction cost estimates in order for LAHD staff to perform an adequate and fair review of development costs.

Direct Construction Cost Summary, "Schedule of Values" (Attachment 3) – A construction cost breakdown must be prepared using the standard Construction Specification Institute (CSI) Division format for building components. Prices for labor must take into consideration the applicable wages (e.g., Davis-Bacon or other). Builder overhead, profit and general conditions/requirements are limited to 14% of the construction cost. Construction contingency allowances must be allocated outside the proposed construction contract amount, and should be between 5% and 10% of the total construction costs for new construction and between 10% and 15% for rehabilitation projects.

For proper evaluation of construction costs, it is recommended that the developer submit ALL pertinent information that impacts construction cost. This may include but is not limited to:

3.1.2 Assessment of Long-Term Viability

All projects must demonstrate viability supported by a 15-year cash flow proforma which shows positive cash flow. The reasonableness of the operating expenses, reserves, and overall assumptions will be analyzed in relation to the type and size of the development. Operating subsidies reflected in the

proforma must be supported by commitments which can reasonably be relied upon. The marketability of the project, in terms of how suitable the proposed rents are relative to the market, will also be taken into account in assessing long-term viability.

3.2 Architectural Design Review

At a minimum, a Conceptual Design Submittal package is required with the application. For additional information regarding Architectural Design Review and submittal requirements, refer to Exhibit 2. All proposed projects will be evaluated on design issues related to site planning, common spaces/circulation and unit layout.

- Generally, for new construction, projects will be evaluated on design issues such as neighborhood compatibility, site amenities, circulation, crime prevention, aesthetics, interior spatial relationships, landscaping, design efficiency, unit/room layout and energy efficiency.
- Similarly, rehabilitation projects will be evaluated on design issues such as neighborhood improvement, site amenities, circulation, crime prevention, aesthetics, internal spatial relationships, landscaping, design efficiency and energy efficiency.

3.3 Negative Points

Applicants who receive an AHTF commitment and fail to apply for the primary leveraging source as required under Section 1.6 of this NOFA will have their LAHD commitment revoked. Additionally, the applicant will be assessed a point-penalty in any subsequent loan application made to the LAHD. Unless it can be demonstrated to the satisfaction of LAHD that the circumstances were entirely outside of the applicant's control, the General Manager can exercise his/her discretion in deducting up to 10 points from an applicant's score for the next application submitted by the general partners, co-developers, development consultants or any member of the identified development team found to be in noncompliance.

PART 4
UNDERWRITING GUIDELINES

4.1 Replacement Reserve

A minimum replacement reserve of \$300 dollars per unit, per year shall be set for all unit types, except senior units, which will be set at \$250 per unit, per year. However, if TCAC or HUD should adopt regulations that differ, the LAHD will have the authority to re-underwrite the project, prior to the closing of the loan, in order to be consistent with the identified primary leveraging source.

4.2 Operating Reserve

The operating reserve shall be established and capitalized up front with an amount equal to three (3) months of operating expenses and hard debt service. This amount must appear in the proforma development budget at the time of submission of the application and at loan closing. The actual operating reserve account must be established and fully funded within 120 days of completion of construction. However if TCAC or HUD should adopt regulations that differ, LAHD will have the authority to re-underwrite the project, prior to the closing of the loan, in order to be consistent with the identified primary leveraging source

4.3 Debt Coverage Ratio

The Debt Coverage Ratio for the first year shall not be less than 1.10:1 or greater than 1.20:1, except where the applicable leveraging source regulations state otherwise. A ratio of at least 1.10:1 is required for the full projection period.

4.4 Maximization of Developer Fee

The maximum developer fee allowed by the identified leveraging source may be included in project costs. The maximum developer fee that may be eligible for payment from construction or permanent financing sources shall be one million, four hundred thousand dollars. (\$1,400,000), with any unpaid developer fee balance to be paid from annual, excess cash available following the payment of all project operating costs, debt service, reserve deposits and administrative fees. However, no developer fee may be disbursed from any source without the approval of LAHD.

The recapture of the deferred developer's fee will be 15 years. Interest on deferred fees should be payable from the developer's share of residual receipts.

4.5 Consulting Fees

Consulting fees must not exceed \$100,000 and should be dependent upon the size and complexity of the project. Specific consulting services include: preparation of tax credit applications; preparation of LAHD applications and other public agency applications; preparation of applications for conventional financing, as well as provision of general development services such as the selection and coordination of the development team; loan documentation; and, processing local approvals and entitlements. Fees required for construction management are not included in this category.

If the developer performs development services for the project which could be contracted to a consultant (e.g., preparation of a Tax Credit application, obtaining entitlements), the developer is entitled to assign the consulting fees to its own organization. Applicants may not make side agreements with consultants which increase the consulting fees beyond the amount shown on the consulting line item. All consultant contracts and fees charged by the developer (in excess of the development fee) to provide services to the project shall be reviewed and approved by LAHD for cost reasonableness.

4.6 Identities of Interest

An applicant must provide identification of any persons or entities (including affiliated entities) that plan to provide development or operational services to the proposed project in more than one capacity, and full disclosure of related parties, as defined.

Related party is defined to include:

- The brothers, sisters, spouse, ancestors, and direct descendants of a person;
- A person and corporation where that person owns more than 50% in value of the outstanding stock of that corporation;
- Two or more corporations that are connected through stock ownership with a common parent with stock possessing:
 - at least 50% of the total combined voting power of all classes that can vote, or
 - at least 50% of the total value of shares of all classes of stock of each of the corporations, or
 - at least 50% of the total value of shares of all classes of stock of at least one of the other corporations, excluding, stock owned directly by that other corporation, in computing voting power or value;
- A grantor and fiduciary of any trust;
- A fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
- A fiduciary of a trust and a beneficiary of that trust;
- A fiduciary of a trust and a corporation where more than 50% in value of the outstanding stock is owned by or for the trust or by or for a person who is a grantor of the trust;
- A person or organization and an organization that is tax-exempt under Subsection 501(a) of the Internal Revenue Code and that is affiliated with or controlled by that person or the person's family members or by that organization;
- A corporation and a partnership or joint venture if the same persons own more than:
 - 50% in value of the outstanding stock of the corporation; and
 - 50% of the capital interest, or the profits' interest, in the partnership or joint venture;

4.7 Amendment and Modification Fees

LAHD will impose a \$2,500 fee to cover costs associated with modifications and amendments when they are requested at the behest of the applicant.

PART 5
APPLICATION PROCESS AND REQUIREMENTS

5.1 General Rules

The following general rules will apply to all applications submitted under the Affordable Housing Trust Fund:

1. This NOFA is open for rental housing projects which *intend to apply* in the next available round for TCAC or HUD in 2010. Therefore, the AHTF application must be submitted to LAHD with the corresponding leveraging source application. As such, developers must select only one primary leveraging source and provide only one financing structure for that option.
2. All applications must be received by the required date for each established round (See Timeline on page 4). Applicants are encouraged to submit their projects as early as possible.
3. All applications must follow the LAHD Application format.
4. Incomplete applications will not be considered for funding. It is the responsibility of the applicant to ensure completeness of their submittal.
5. Staff will begin reviewing and underwriting proposals as soon as they are received.
6. Applicants will be subject to a background check to ensure compliance with LAHD Business Policy.
7. The following documentation relevant to the proposed project must be submitted with all applications. The completion of all applicable parts of the LAHD-supplied application form is required, which includes, but is not limited to:
 - A. The Application form:
 - Funding Round;
 - Leveraging source;
 - Applicant information including: applicant name; address; contact person; Federal Tax I.D. Number; City of Los Angeles Business License Number; borrowing entity; indication if CHDO or non-CHDO;
 - Development Team information including: developer name; phone number; fax number; Federal Tax I.D. Number; City of Los Angeles Business License Number;
 - Project characteristics including: project name; site address; site assessor's parcel number; Council District Number; census tract number; Federal Congressional District Number; State Assembly District Number; State Senate District Number; indication if the site is in a recognized Neighborhood Revitalization area; site dimensions; current zoning; labeled photographs of the subject property and all adjacent properties;

- Project Type including: type of LAHD incentive programs to which the project will be applying; number or type of units; and, relocation requirements;
- Sources of financing including interim financing and permanent financing;
- Requested subsidy amount including: maximum allowable subsidy per unit; total LAHD loan requested; total LAHD Gap requested per unit; and total subsidy leverage percentage;
- Uses of funds;
- Narrative description of proposed project;
- All other documents listed on the Table of Contents under the Application Attachments.

5.2 **Application Scoring**

This is a competitive NOFA, and project applications will be scored and ranked according to the evaluation criteria set forth by the respective leveraging source and in combination with the criteria set forth below.

The highest priority will be given to projects in the following order:

1. Projects that are fully funded:
 - A. Excluding the LAHD funds and noncompetitive sources, which for the purposes of this NOFA include a bond allocation from the California Debt Limit Allocation Committee (CDLAC); or,
 - B. Projects leveraging funds from a source not listed in Section 1.6; however, such projects will only be considered under this category if the loan subsidy request per unit is comparable to the average of the loan subsidy request per unit of other projects being considered in this funding round.
 - C. In combination with A or B above, projects that otherwise meet all requirements of this NOFA.
2. Projects competing for the 9% TCAC program:
 - A. Projects competing in a TCAC 9% Set-Aside with an apparent combined score and tie breaker ranking at least equal to the final allocation in the same set-aside during the previous round, and for a requested amount that is within the available credit ceiling.
 - B. Projects competing in a TCAC 9% Los Angeles County Geographic Apportionment. To assure maximum competitiveness of applications, subsidies will be based on the amount necessary to achieve an apparent score and tie breaker that is reasonably perceived to have the ability to compete successfully in the next funding round of the identified leveraging source.

Projects will be ranked according to the lowest ratio of calculated gap financing relative to the maximum eligible loan amount, including all eligible boosts.

3. Projects applying for HUD Section 202/811 with an apparent score at least equal to the final allocation in Southern California during the previous round.
4. Projects with public or private leverage source funding, in combination with 4% tax credits.

5.3 Application Submittal and Review

All applications will be evaluated by a team of reviewers consisting of LAHD staff and outside consultants.

Applications must be submitted on forms provided or approved by LAHD. Application forms must not be modified. A complete original application including one (1) copy, plus two (2) sets of the leveraging source application must be received by LAHD no later than **4:00 P.M. on December 14, 2009**. **Applications received after the application-filing deadline will not be accepted for processing and will be returned unopened.** Applications submitted through facsimiles or email will not be accepted.

Applications must be delivered to one of the following addresses:

<u>Prior to December 14, 2009:</u>	<u>On December 14, 2009:</u>
Los Angeles Housing Department Affordable Housing Trust Fund Attention: Mariano Napa, Manager 1200 W. 7 th Street, 8 th Floor Los Angeles, CA 90017 Telephone: (213) 808-8596	Los Angeles Housing Department First Floor Cafeteria 1200 W. 7 th Street Los Angeles, CA 90017

Applications shall be accepted only at the locations specified above. Applications delivered to locations other than those mentioned above shall not be considered for funding.

5.4 Appeal Process

Applicants who are unsuccessful may appeal LAHD's recommendations. LAHD will establish and implement an appeal process which incorporates outside panelists with experience in multi-family housing development. Specifically, LAHD will entrust the panelist with reviewing the AHTF scoring methodology for consistency and applicability with the criteria of TCAC or HUD. The panel will have the authority to overturn LAHD's recommendation with a simple majority vote. In the event of a tie, the General Manager of the LAHD will cast the deciding vote.

5.5 City Council Approval Process and Timeline

Final score and ranking recommendations will be reviewed by the City Administrative Officer, the Chief Legislative Analyst, the appropriate City Council Committee(s) and ultimately, by the Mayor's Office and Council Members.

LAHD recommendations will be transmitted to the Housing, Community and Economic Development (HCED) Committee of the City Council for a public hearing.

5.6 Release of Funds

Due to the contingent nature of commitments made by LAHD through the AHTF, loan agreements will not be executed until all funding is in place or reasonably expected. However, in no event will LAHD be required to execute a loan agreement if after the specified funding cycles have elapsed, a funding gap exists for any reason, including cost increases, the withdrawal or reduction of a previous commitment, or deferred costs or fees.

DRAFT



MAJOR PROJECTS DIVISION

Los Angeles Housing Department

LAHD

1200 West 7th Street, 8th Floor, Los Angeles, CA 90017

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lahd.lacity.org



Antonio R. Villaraigosa, Mayor

Rushmore D. Cervantes, Interim General Manager

2010 AFFORDABLE HOUSING TRUST FUND

APPLICATION

Funding Period: January 1, 2010 – December 31, 2010

Round 1 Round 2 Round 3

**The Affordable Housing Trust Fund Application Must Be Submitted In
Combination with one of the applications identified below.
Please Check One Box Only.**

9% TAX CREDITS Set-Aside _____ Housing Type: _____

HOUSING & COMMUNITY DEVELOPMENT

MHP General MHP Supportive TOD

HUD 202 OR HUD 811

PROJECT NAME: _____

I. DEVELOPMENT TEAM

NOTE: LAHD will not accept applications from individuals or entities which have not met current obligations to the Department as identified in the Department's Business Policy. Borrowers must resolve any delinquency, or other non-compliance issues, prior to applying for financial assistance. Submittal of a project, by an applicant in non-compliance, will result in disqualification of the project based on threshold criteria.



APPLICANT INFORMATION:

Applicant Name: _____

Applicant Address: _____

City: _____ **State:** _____ **Zip:** _____

Principal/ Executive Director/ President:

Name: _____ **Title:** _____

Contact Person (if different than above):

Phone: _____ **Fax:** _____ **E-Mail:** _____

Fed Tax I.D. #: _____ **City Bus. Lic. #:** _____

The contact person provided will be the only individual who receives requests for information/ clarification from LAHD. Please provide a contact that is readily available through the review process. Otherwise, all other formal documents will be sent to Principal/ ED / President listed.

Borrower (Proposed Owner): _____

Non-profit For-profit L.L.C. Limited Partnership

Address: _____

Phone #: _____ **Fax #:** _____

Fed Tax I.D. #: _____ **City Bus. Lic. #:** _____

Partner 1: Name: _____ **It's:** _____

Non-profit For-profit L.L.C. Limited Partnership

Address: _____

Phone #: _____ **Fax #:** _____

Fed Tax I.D. #: _____ **City Bus. Lic. #:** _____

Partner 2: Name: _____ **It's:** _____

Non-profit For-profit L.L.C. Limited Partnership

Address: _____

Phone #: _____ **Fax #:** _____

Fed Tax I.D. #: _____ **City Bus. Lic. #:** _____

Partner 3: Name: _____ **It's:** _____

Non-profit For-profit L.L.C. Limited Partnership

Address: _____

Phone #: _____ **Fax #:** _____

Fed Tax I.D. #: _____ **City Bus. Lic. #:** _____

IF any of the above entities is a non-profit, are they a LAHD Certified Community Housing Development Organization (CHDO): Yes No

NOTE: LAHD encourages all non-profit developers to become a CHDO. If your organization is interested in becoming a CHDO contact Kory Smith at (213) 808-8958.

Architect: _____

Address: _____

Phone #: _____

Fax #: _____

Attorney: _____

Address: _____

Phone #(s): _____

Fax #: _____

General Contractor: _____

Address: _____

Phone #(s): _____

Fax #: _____

Property Management Firm:

Address: _____

Phone #(s): _____

Fax #: _____

Other Consultant(s) Type: _____ : **Name:** _____

Address: _____

Phone #(s): _____

Fax #: _____

II. PROJECT CHARACTERISTICS:

New Construction **Rehabilitation** **Preservation (At-Risk)**
 Historical Rehabilitation **Other** _____

Project Address(s): _____

City: _____ **State:** _____ **Zip:** _____

Assessor's Parcel No(s): _____

Council District: _____ **Census Tract:** _____

Federal Congressional District: _____

State Assembly District: _____

State Senate District: _____

Is the project site located in a recognized Neighborhood Revitalization Area? Yes No

If yes, please identify the specific Neighborhood Revitalization Area(s):
Area Name(s): _____

NOTE: *If multiple sites, please use separate sheet of paper and attach to this page.*

Zoning: (Evidence of current & proposed zoning requirements is required)

Current _____ **Proposed/ Needed** _____

Site Dimensions: Square Ft _____ **Acres** _____

1. Does the site abut any alley(s)? Yes No
2. Is the project requesting a Density Bonus? Yes No
3. Are any additional incentives being requested in connection w/ a Density Bonus such as reduced yards, increase in height or FAR etc? Yes No
4. Are any discretionary approvals or deviations from the code required (i.e, zone change, variance, Site Plan Review etc.) Yes No
If yes to any of the above, please explain or list approvals, deviations or incentives requested: _____
5. Have applications been filed for any of the above requests? Yes No
If yes, please list case numbers: _____
6. Is a public hearing required for the above application(s)? Yes No

Relocation: (Additionally, please refer to Regulation Section 1.8.11.)

1. Is the property currently vacant? Yes No
2. If NO, was the property occupied during the six months prior to or during purchase negotiations? Yes No

Type	Current configuration		Relocation Type	
	Vacant	Occupied	Permanent	Temporary
SRO/ Efficiency				
1- bd				
2- bd				
3- bd				
4- bd				
Commercial				

Proposed Number/Type Units:

<u>Total Units Proposed</u>		<u># of LAHD Assisted Units</u> (see Regulation Section 1.6)	
SRO		SRO	
Efficiency		Efficiency	
1-Bedroom		1-Bedroom	
2-Bedroom		2-Bedroom	
3-Bedroom		3-Bedroom	
4-Bedroom		4-Bedroom	
TOTAL		TOTAL	

III. SOURCES OF FINANCING:

INTERIM FINANCING (acquisition, predevelopment, construction):

	* Funding Source	Amount	Per Unit	Awarded/ Committed?	
				Yes	No
1				<input type="checkbox"/>	<input type="checkbox"/>
2				<input type="checkbox"/>	<input type="checkbox"/>
3				<input type="checkbox"/>	<input type="checkbox"/>
4				<input type="checkbox"/>	<input type="checkbox"/>
5				<input type="checkbox"/>	<input type="checkbox"/>
6				<input type="checkbox"/>	<input type="checkbox"/>
7				<input type="checkbox"/>	<input type="checkbox"/>
Total Funding Sources					

**Proof of ALL financing commitments, including Developer Equity, must be submitted with the application.*

PERMANENT FINANCING:

	* Funding Source	Amount	Per Unit	Awarded/ Committed?	
				Yes	No
1				<input type="checkbox"/>	<input type="checkbox"/>
2				<input type="checkbox"/>	<input type="checkbox"/>
3				<input type="checkbox"/>	<input type="checkbox"/>
4				<input type="checkbox"/>	<input type="checkbox"/>
5				<input type="checkbox"/>	<input type="checkbox"/>
6				<input type="checkbox"/>	<input type="checkbox"/>
7				<input type="checkbox"/>	<input type="checkbox"/>
Total Funding Sources					

**Proof of ALL financing commitments, including Developer Equity, must be submitted with the application.*

IV. USES OF FUNDS:

	Amount	Per Unit
1. Land Costs		
2. Direct Construction Costs		
3. Fees/ Permits/ Studies		
4. Indirect Construction Costs		
5. Relocation Costs		
6. Financing Costs		
Total Development Costs		

V. REQUESTED SUBSIDY AMOUNT

Maximum Subsidy

Maximum subsidy may only be calculated for those units, which will be restricted at or below 60% of AMI. In any event, the maximum LAHD loan available to any one project is \$14 Million.

LAHD Funding Boost (Section 1.7):

Does project qualify for the following funding boost(s)?

- A. South Los Angeles? YES NO
- B. Transit Oriented District? YES NO
- C. Balanced Communities YES NO
- D. New Generation Fund/ Supportive Housing Loan Fund? YES NO

		Choose ONE category below (see Sec. 1.7)					
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Unit Type	LAHD Units	Maximum Subsidy (9% TC)	1 Boost Letter	2 Boosts Letters	3 Boosts Letters	Maximum Subsidy (MHP TOD)	TOTAL Maximum Subsidy
202/ 811 & 0-Bedroom		\$ 83,660	\$ 87,843	\$92,026	\$96,209	\$ 119,016	\$
1- Bedroom		\$ 92,360	\$ 96,978	\$101,596	\$106,214	\$ 136,482	\$
2- Bedroom		\$ 97,360	\$ 102,228	\$107,096	\$111,964	\$ 147,817	\$
3- Bedroom		\$ 102,360	\$ 107,478	\$112,596	\$117,714	\$ 155,408	\$
4- Bedroom		\$ 107,360	\$ 112,728	\$118,096	\$123,464	\$ 163,000	\$
							\$

IX. NARRATIVE DESCRIPTION OF PROJECT

Please complete the following questions. Use separate pages. Limit your answers to no more than one page per question.

1. Describe the population the project intends to serve and how the decision was made to serve this population.
2. Provide a complete description of the proposed capital improvement project discussing the project's design, location, style, type and approximate size. What is the architectural design and scale of the neighborhood and how does the project fit into the neighborhood scheme?
3. Describe the physical and socio-economic characteristics of the surrounding community.
4. What physical amenities (residential units and common spaces) are provided by the project?
5. Describe the present and proposed ownership structure.
6. Describe the public benefit of the project.
7. What impact will the project have on the neighborhood?
8. Describe your plan for providing employment opportunities for local residents and business opportunities as part of your Section 3 Economic Opportunity Plan.

PLEASE SUBMIT ONE ORIGINAL AND ONE COPY OF THE COMPLETED HOUSING TRUST FUND APPLICATION AND TWO COPIES OF THE CORRESPONDING LEVERAGING SOURCE APPLICATION ON OR BEFORE THE DESIGNATED DUE DATE



Los Angeles Housing Department

MAJOR PROJECTS DIVISION

LAHD

1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
tel 213.808.8936 | fax 213.808.8918
lahd.lacity.org



Antonio R. Villaraigosa, Mayor
Rushmore D. Cervantes, Interim General Manager

2010 AFFORDABLE HOUSING TRUST FUND

APPLICATION CHECKLIST

Project Name: _____

Please submit one (1) original and one (1) copy of the completed Affordable Housing Trust Fund Application (with attachments) and two (2) copies of the Leveraging Source Application (LSA) on or before the designated due date. Applicants must label and tab each attachment with the designated checklist item number and place all items in the order as they appear in this checklist.

Please mark each item as “Included”, “Not Applicable”, or note the section in which the item can be found in the LSA (e.g. “TCAC 21. F”, “MHP B.6”). This checklist must be completed and submitted with the AHTF application.

Section A: LAHD Application

Section B. Financial Feasibility

Included or

N/A or

LSA section Item

- B 1. Applicable Development Proforma with Notes and Assumptions (use the leveraging source Proforma) (Sec 2.8)
- B 2. Enforceable commitments for ALL construction financing (Sec 2.8)
- B 3. Enforceable commitments for ALL permanent financing (Sec 2.8)
- B 4. Letter of Commitment for ALL proposed deferred financing (Sec 2.8)
- B 5. Supportive or Enhanced Services Plan/Budget (Sec. 1.12)

Section C. Organizational Documents (Sec 2.2)

Included or

N/A or

LSA section Item

- C 1. Organizational Chart (Sec 2.2)
- C 2. Sample Signature Block

- C 3. Assurances & Conditions (*Attachment 1*)
- C 4. City of Los Angeles Business License (*Sec 2.2*)
- C 5. Certificate of Good Standing (*Sec 2.2*)
- C 6. Articles of Incorporation and By-Laws, Operating agreement, partnership agreement(*Sec 2.2*)
- C 7. List Board of Directors (*Sec 2.2*)
- C 8. Board Resolution or evidence of consent from majority partnership interest; (*Sec 2.2*)
- C 9. 501(c)3 or nonprofit designation from the IRS, if applicable (*Sec 2.2*)
- C 10. Financial Statements (*Sec 2.2*)
- C 11. LAHD Credit Check Authorization (*Attachment 5*)
- C 12. Applicant's Certification Statement (*Attachment 7*)
- C 13. Diskette containing list of properties (*Attachment 7b.*)

Section D. Relocation Documents (*Sec. 1.9.7*)

Included or
N/A or

LSA section **Item**

- D 1. Relocation Plan
- D 2. Relocation Consultant Agreement/ Resume/ Qualifications
- D 3. Acquisition – Relocation Summary Assessment Form (*Attachment 4*)
- D 4. Relocation Tenant Rent Roll (*Attachment 4a*)
- D 5. General Information Notice (*Attachment 4b*)
- D 6. Voluntary Acquisition Letter (*Attachment 4c*)

Section E. Site Control & Zoning Evidence

Included or
N/A or

LSA section **Item**

- E 1. Appraisal Report (*Sec. 2.3.1*)
- E 2. Title Report (*Sec 2.5*)
- E 3. Evidence of Site Control (*Sec 2.5*)
- E 4. Affordable Housing Referral Form – City of Los Angeles Planning Department (*Sec. 2.6*) (*Attachment 10*)

Section F. Local Support and CRA-LA Letter

Included or
N/A or

LSA section **Item**

- F 1. Letter of Support from Council Office (*Sec. 2.4*)
- F 2. CRA-LA Letter of Acknowledgement and Support (*Sec. 2.4*)

Section G. Construction Related Documents and Other Reports

Included or

N/ A or

LSA section **Item**

- G 1. Environmental checklist form (*Attachment 2*)
- G 2. Construction Cost Breakdown – “Schedule of Values” (*Attachment 3*)
- G 3. Phase I and/or II Reports (*Sec. 2.3.2*)
- G 4. Lead & Asbestos Report (s) (*Sec 2.3.3*)
- G 5. Soils Report (*Sec. 2.3.4*)
- G 6. Engineering Inspection Report (for Rehab only) (*Sec. 2.3.5*)
- G 7. Architectural Drawings (Full Size) (*Sec. 3.2*)
- G 8. Davis-Bacon Wage Statement (*Attachment 6*)
- G 9. Property Management Plan (*Attachment 9*)

Section H. Leverage Funding Source Application

	H 1. Leverage Source Application (include all applicable attachments as per the funding source requirements)
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Section I. Incentive Programs (Section 1.15)

Included or

N/ A or

LSA section **Item**

- South- Los Angeles Development**
- I 1. Labeled Map
- Transit Oriented Development**
- I 2. Scaled Distance Map and Parcel Map
- I 3. Bus/ Train/ Subway schedule
- Balanced Communities**
- I 5. Labeled Census Map and census data with household income figures
- I 6. Scaled map and home sales data
- New Generation Fund/ Supportive Housing Loan Fund**
- I 7. Copy of Funding award
- LAHD-LADWP Sustainable Building Incentive Program (Exhibit 4)**
- I 8. Description of Proposed sustainable components
- I 9. Letter of Certification or Energy Calculation
- I 10. Applicant Request Letter for Lead Hazard Reduction Program
(*Exhibit 6*)

ATTACHMENT 1
ASSURANCES AND CONDITIONS TO THE STATEMENT OF QUALIFICATIONS

An authorized signatory (s) for each applicant organization must read the Assurances and Conditions outlined below, and complete the attached signature block.

Affirmative Action: The City's Administrative Code (Division 10, Chapter 1, Article 1, Section 10.8) establishes the affirmative action program for vendors doing business with the City. As a condition of contract award grantees will be required to comply with the provisions of the City's Affirmative Action program, including submission of the City's Affirmative Action form with an affirmative action plan.

Insurance: The chosen contractor(s) must provide evidence of certain minimum insurance coverage requirements.

Service Contract Worker Retention Ordinance and the Living Wage Ordinance (SCWRO and LWO): The chosen contractor(s) shall comply with all Los Angeles Administrative Code (LAAC) Sections 10.36 et seq., SCWRO and LWO. A Declaration of Compliance must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

Equal Benefits Ordinance (EBO): The chosen contractor(s) must be certified as complying with the Los Angeles Administrative Code Section 10.8.2.1, EBO prior to the execution of any City Agreement. EBO forms must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

Certifications: Contractor(s) shall provide copies of the following documents to the City: a) Certification Regarding Ineligibility, Suspension, and Debarment as required by executive Order 12549; b) Certification and Disclosure Regarding Lobbying. Contractor(s) shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially effects the accuracy of the information contained in any Disclosure Form previously filed by the Contractor(s).

Proof of IRS Number (W-9): All contractors are required to complete and submit proof of IRS Number (W-9) Form.

Slavery Disclosure Ordinance: Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFQ will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

MBE/WBE/OBE Subcontractor /Supplier Information: The Contractor shall submit the MBE/WBE/OBE Form and comply with the City's Minority Business Enterprise (ME), Women Business Enterprise (WBE), and other Business Enterprise (OBE) outreach requirements as appropriate.

The applicant acknowledges understanding of and agreement with the provisions listed, which will be required at the time of contract negotiations.

Signature Of Person Legally Authorized To Sign For Firm _____
Date

Type or Print Name _____
Title

Firm Name _____

ATTACHMENT 2

LOS ANGELES HOUSING DEPARTMENT
ENVIRONMENTAL & SECTION 106 HISTORIC REVIEW PROCEDURES
(Major Projects – Rehab & New Construction of 5 units or more)
ENVIRONMENTAL CHECKLIST

The following information must be provided in order to initiate an environmental assessment. Please follow the attached procedure when completing this form.

1. **PROJECT NAME** _____
PROJECT ADDRESS _____
NAME OF DEVELOPER / NON-PROFIT / OWNER _____
CONTACT PERSON / PHONE NUMBER _____
Council District # _____ APN _____

2. **PROJECT DESCRIPTION (IMPORTANT)** – Please be specific when describing the project. Indicate whether the project will include acquisition, rehabilitation/repair, demolition, reconfiguration or new construction. Please include the number of buildings to be demolished, the number of new units, the current use and condition of proposed site.)

3. **FLOOD ZONE**
Is site located in a flood zone? Yes No If yes, please attach proof of insurance.

ARE ANY OF THE FOLLOWING PRESENT AT THE PROJECT SITE?

4. **Asbestos?** Yes No
5. **Lead-Based Paint?** Yes No
6. **California Oak Trees?** Yes No If Yes, attach photos
7. **AGE OF BUILDING(S)** Original date of construction _____ Age of building _____

8. **ZONING COMPLIANCE**
Will the project increase the density of units on the site? Yes No
Will the project comply with the existing zoning and district plan designations? Yes No
Will the project require any discretionary actions such as zoning variances, density bonus, parking variances, etc? Yes No
If Yes, what kind of action: _____

9. SITE PHOTOS OF THE BUILDING (required)

- Front Back Left Right Architectural features

10. SITE PHOTOS OF THE AREA (required)

- Each building on the same block Up the block Down the block
 Across the street Historical Points of Interest (within 1/2 mile radius)

Submitted by: _____

Date _____

Printed Name & Title:

FOR LAHD USE ONLY

A. PHASE I ENVIRONMENTAL SITE ASSESSMENT

- Is the Phase I Assessment Attached? Yes No
Is the Phase I Assessment current (within 180 days)? Yes No
Is the Updated Phase I Assessment Attached? Yes No N/A
Does the Phase I suggest for a Phase II or additional assessment? Yes No
If suggested, is the Phase II or additional assessment Attached? Yes No N/A

B. PROGRAM

- NOFA HOMEBUYERS CSP HDC Other _____

C. FUNDING AMOUNT & SOURCES

Funding sources _____ Funding Amount \$ _____ Funding Year _____
(CDBG, HOME, HOPWA)

PACKAGE THE FOLLOWING ENVIRONMENTAL/ HISTORIC REVIEW SUPPORTING DOCUMENTS & FORWARD TO ENVIRONMENTAL SERVICES UNIT

- Environmental Checklist ZIMAS report All Photos
 Phase I/II Site Assessments Asbestos Report Lead-Based Paint Report
 Soil Report Flood Insurance (if applicable) Relocation Plan (if applicable)
 Zoning Compliance (i.e. EIR, MND or CEQA Exemption)

Notes: _____

LAHD Project Monitor _____ Tel # _____

Address: 1200 W. 7th St., 8th Flr Los Angeles, CA 90017 Email: _____@lahd.lacity.org Fax: _____

FOR ENVIRONMENTAL STAFF USE ONLY:

Reviewed by: _____ Date received: _____



DIRECT CONSTRUCTION COST SUMMARY - "SCHEDULE OF VALUES"

Instructions

The Developer and his/her Construction Estimator/Architect MUST complete this form as a NOFA submittal requirement. This form uses the MS Excel format with predetermined mathematical relationships. The developer is responsible for the accuracy of ALL information contained herein. LAHD will review this form to determine the "reasonableness" of the Direct Construction Cost.

Part 1 - This information must be consistent with the information provided in the NOFA application.

Part 2 - Complete the following for Direct Construction Cost using "Davis Bacon Wages" (or otherwise noted). DEVELOPERS WITH MIXED-USE PROJECTS ARE REQUIRED TO PROVIDE A "HOUSING" AND "NON-HOUSING" COST COMPONENT BREAKDOWN. Housing Component as used here, refers Construction Cost for the residential portion of a development including residential parking. Non-Housing Component refers to Construction cost for "non-residential" (or commercial) components. NOTE: Developer may provide any back-up information as necessary. LAHD will require a complete "schedule of values" prior to construction.

PART 1-Project Information

Project Name : _____
 Project Location : _____
 Developer: _____
 Contact Person: _____
 Contact Tel #: _____
 Architect: _____
 Type of Project: _____
 # Stories: _____

UNIT MIX		
TYPE	QTY	AVG. AREA
SRO =		
1-BR=		
2-BR=		
3-BR=		
4-BR=		
Total # Units=	0	

AREA TABULATION		
	Description	Area (sq ft)
1)	Residential Units (area of units + area of common spaces) =	
2)	Residential Parking (area of parking for residences) =	
3)	Commercial Space (area of commercial space, if applicable) =	
4)	Commercial Parking (area of parking for commercial, if applicable) =	
5)	Gross Building Area (Provide the area of the proposed building/s)	
6)	Area of Site (Provide the area of the proposed site for development)	

() NEW CONST
 () REHAB.

PARKING INFORMATION	
Total Amount of Parking Spaces =	
Amount of Residential Spaces =	
Type of Parking =	

PART 2-Construction Budget

DESCRIPTION	DEVELOPER ESTIMATE	
	TOTAL CONST.	Non-Housing Component
1 Demolition (a)	\$ -	\$ -
2 Toxic Abatement (b)	\$ -	\$ -
3 Off-Site Improvements (c)	\$ -	\$ -
4 Onsite Improvements (d)	\$ -	\$ -
5 Landscaping/Irrigation System (onsite) (e)	\$ -	\$ -
6 Parking (f)	\$ -	\$ -
6 Residential Construction (g)	\$ -	\$ -
7 Commercial Construction (h)	\$ -	\$ -
8 SUB-TOTAL=	\$ -	\$ -
9 Contractor's Overhead & Profit (h)	\$ -	\$ -
10 SUB-TOTAL=	\$ -	\$ -
11 General Conditions (i)	\$ -	\$ -
12 Performance & Payment Bond (j)	\$ -	\$ -
13 SUB-TOTAL=	\$ -	\$ -
14 Construction Contingency (k)	\$ -	\$ -
15 TOTAL =	\$ -	\$ -

(for LAHD use only)
 LAHD ESTIMATE

Housing Component Cost per area of residential units. =	#VALUE!	/sf
Housing Component cost per residential unit. =	#DIV/0!	/unit

Prepared by _____

Date Prepared _____

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION — RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Proposed Project Name:	Applicant Submittal Date: <small>Click here to enter a date.</small>
-------------------------------	--

Project Address:

Brief Description of Development Project:
Instructions: Briefly describe existing site conditions — i.e. number and type of structures; number of units, including number of bedrooms per unit.

Instructions: Briefly describe proposed development project, including number of commercial and/or residential units and number of bedrooms.

Will there be any residential demolition? Yes No

Developer Information

Name:	Phone No.:	Web Address:
	Fax No:	
Street Address:	City:	State:
		Zip:
Contact Person/Title:	Phone No.:	E-mail:
	Fax No:	

Identify All Key Members Of Development Team:

Name of Project Manager:	Title:	Contact Information:
Name of Contractor:	Title:	Contact Information:
Name or Property Management:	Title:	Contact Information:
Name of Relocation Consultant:	Title:	Contact Information:

General Partner:

Non-Profit Organization? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes the following must be provided: <input type="checkbox"/> Copy of City of Los Angeles Business Tax Exemption letter for Subject Property <input type="checkbox"/> Copy of proof of nonprofit status for federal and or state <input type="checkbox"/> Copy of bylaws
--	---

Acquisition:

Are photos of proposed project site (including all buildings, billboards, structures, etc.) acquired or to be acquired, attached?
 Yes No

Property Owner(s) Name:	Phone No.:	E-mail:
	Fax No:	
Street Address:	City:	State:
		Zip:

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION – RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Proof of Site Control:

Identification of All Sellers:

Name(s)	Percentage of Ownership	Date ownership obtained
<i>Has anyone on the Development Team had ownership interest in the subject property prior to project development?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, explain on separate sheet of paper.</i>		

Date of First Written Offer to Acquire the Property(ies)

Instructions: Please provide a copy of executed real estate agreement. If offers were made for multiple properties, provide a date for each property..

Date of the Executed Purchase & Sale Agreement(s) or other form of real estate agreement

Instructions: If multiple properties are being acquired, provide a date for each property.

NOTE: For each property acquired or in escrow, attach a copy of the Voluntary Acquisition Letter

Terms of Option(s)

Instructions: Briefly describe

Date acquired: *If property is currently owned by the applicant, provide proof of ownership.*

Will rents change after the project is built?

Yes No

Describe project activity to date:

Are there plans to expand the project area and acquire additional properties? Yes No

Appraiser Information:

Name:	License No:	
Firm Name:	Phone No.:	Web Address:
	Fax No:	
Street Address:	City:	State:
		Zip:
Contact Person/Title:	Phone No.:	E-mail:
	Fax No:	

If acquiring commercial property, did you or will you appraise and/or purchase any business fixtures and equipment? *(If yes, explain below)*

Yes No Not Applicable

Explanation:

Do you or will you assume any existing lease(es)? *(If yes, explain the remaining terms for each existing lease below)*

Yes No Not Applicable

Explanation:

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION – RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Relocation Data:

Rent Roll Inventory:

Current rent roll	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available/Explanation Attached
6 months prior to date of this submittal	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available/Explanation Attached
12 months prior to date of this submittal	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available/Explanation Attached

Household Statistics

Number of households that will be displaced:	Number of Households with special needs:
Number of households that are low income:	Number of tenants over age 62 and/or are disabled:
Number of potential undocumented persons:	

Business Statistics

Number of businesses that will be displaced:
Types of Businesses:

Briefly discuss any potential relocation concerns:

If you are proposing a rehabilitation project, BRIEFLY explain the nature, scope, and duration of the construction work to be performed:

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION – RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Estimated Relocation Budget

Only complete the line items that apply to your project.

Budget Line Item	Cost
Residential Relocation	\$
URA	\$
Temporary vs. Permanent	\$
104(d)	\$
RSO	\$
Business Relocation	\$
Estimated Business Goodwill	\$
Fixtures and Equipment	\$
Consultant Fees	\$
Relocation	\$
Business Valuation	\$
Specialty Consultants	\$
Legal	\$
Other	\$
Total Estimated Cost	\$ 0

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION – RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

LAHD Reviewer Comments

Activity	Yes/No	Comments
Is the Development Team clearly identified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are acquisition documents provided?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is the appraisal or other evidence of fair Market Value included?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is there any evidence of ownership conflicts of interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are all activities connected to the site, including any prior property acquisition, identified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is the Voluntary Acquisition Letter executed by the seller included?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Can the scope of the construction project realistically be completed in 12 months or less?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Have rent rolls been provided (for at least 6 months prior to the date of application)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Was the relocation plan submitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Were the GINs served (only check yes if proof of service was provided)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is there a letter of reasonable explanation in the file (required only if no GIN was provided)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other:	<input type="checkbox"/> Yes <input type="checkbox"/> No	



Attachment 4 RELOCATION TENANT RENT ROLL

AHTF NOFA
Year: 20____
Round: _____

PROPERTY INFORMATION BEFORE REHABILITATION OR DEMOLITION

PROJECT NAME : _____

Developer/Project Owner: _____

Property Address: _____

List all property APN/s _____

Target Population (multi-family, senior, special needs) Before rehab/demolition _____ New project _____

Is the Property subject to the Rent Stabilization Ordinance (Y/N)? _____

Is the property a Single Room Occupancy or other Hotel?

If yes, do all units have bathrooms (Y/N)? _____ kitchens (Y/N)? _____

If not, please explain kitchen and bathroom set-up in property (how many)? _____

Total Number of Units _____ **Number of Units Occupied** _____ **Number of Units Vacant** _____

Complete the questionnaire for each unit in the building. Include manager and vacant units. If the unit is vacant, write "VACANT." List the units in numerical or alphabetical order. Attach a separate sheet for each scattered site property.

UNIT # Include vacant & mngr units (In Sequence)	Head of Household, Tenant Full Name (Last, First). If Not Occupied, Write Vacant	Unit Type (Select 0-5 bedrooms)	Unit Size (Sq. Ft)	Total Monthly Rent Including Sec 8 Subsidy Before Relocation (\$)	List All Utilities Paid by Tenant (Gas, Electric, Water)	Monthly Amt of Section 8 Rental Subsidy (\$)	Total # of Tenants in Unit	Is the tenant current with their rent for last 2 years (or since they moved in, if less than 2 yrs)? (Y/N)	FOR VACANT UNITS	
									Date Unit Vacated	Monthly Rent when Unit Vacated (\$)
EXAMPLES										
101	Flynn, Patrick	2	600	\$850	Gas & Electric	\$0	4	Yes		
102	Brown, Maria	1	350	\$600	None	\$180	2	No		
103	VACANT	2	600	-	Electric	-	-		2/2/2006	\$850

Use extra sheets (if needed) page _____ of _____

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

Recipient's Name
Street Address
City, State, Zip

GENERAL INFORMATION NOTICE - RESIDENTIAL TENANT NOT DISPLACED

Dear Salutation (i.e., Mr. Smith):

Developer/Entity serving notice is interested in rehabilitating the property you currently occupy at Project Address, City, State, Zip for a proposed project, which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) through the City of Los Angeles Housing Department under the HOME program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project. If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will be required to continue to pay your rent and comply with all other lease terms and conditions of your rental agreement.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment, or another suitable, decent, safe and sanitary apartment in the same development under certain reasonable terms and conditions.

Under HOME program regulations, your monthly rent will remain the same upon your return to the development or, if increased, your new monthly rent and estimated average utility costs will not exceed:

- The total tenant payment as defined by HUD (under 24 CFR 5.628, or 2) if you are low income, or
- 30% of the monthly gross household income, if you are not low income.

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections of persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA or you may elect to remain in temporary housing until you are able to return to the property from which you moved. If you are permanently displaced, the relocation assistance payment would be in addition to any assistance you may

receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens now lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

This is not a notice to vacate the premises.
This is not a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information regarding the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions regarding our plans, please contact **Contact Name for developer or entity servicing notice**, at **Phone number of contact person**, or **Contact Person's Address, City, State, Zip**.

Sincerely,

NAME OF PERSON SIGNING NOTICE (CAPS)
TITLE OF PERSON SIGNING NOTICE (CAPS)

Enclosure

Instructions and Special Notes to Developer/Applicant:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

RETROACTIVE VOLUNTARY ACQUISITION LETTER

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

Recipient Name
Street Address
City, State, Zip

Dear [Recipient Name]:

On [date], [Name of Agency/Person acquiring property] purchased the property at [property address, city, state, zip], from [selling agency/person name] for a mutually-agreed upon amount of [sales price]. The negotiated sales price represented the market value of your property at the time of the sale.

You are receiving this letter because the property in question will be the site of a proposed project that may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD). Federal property acquisition regulations require that you, as the seller of the property, be informed that [Name of Agency/Person] did not have authority to acquire your property by eminent domain. In the event that an amicable agreement for the purchase of your property had not been reached, we would not have pursued this acquisition.

Please note that, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact [Contact Name, Title, Address, Phone Number].

Sincerely,

[YOUR NAME]
[YOUR TITLE]

Enclosure

Instructions and Special Notes:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2 (a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A – 24.2(a)(15)(iv).

This form meant to serve as a guide; it should be revised to reflect the circumstances of each acquisition.

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

**Recipient Name
Street Address
City, State, Zip**

Dear **[Recipient Name]**:

[Name of Agency/Person acquiring property] is interested in acquiring the property you own at **[property address, city, state, zip]** for a proposed project that may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD). Please be advised that **[Name of Agency/Person]** does not have authority to acquire your property by eminent domain. In the event that we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

We are prepared to offer you **[offer amount]** to purchase your property; we believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

Please note that, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact **[Contact Name, Title, Address, Phone Number]**.

Sincerely,

**[YOUR NAME]
[YOUR TITLE]**

Enclosure

Instructions and Special Notes:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2 (a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A – 24.2(a)(15)(iv).

This form meant to serve as a guide; it should be revised to reflect the circumstances of each acquisition.



Attachment 5

AFFORDABLE HOUSING TRUST FUND PROGRAM APPLICATION

LAHD CREDIT CHECK AUTHORIZATION

Instructions: Each general partner(s) and applicant(s) / project sponsor(s) must complete this Credit Check Authorization.

The information requested in the entire Affordable Housing Trust Fund Application is to be used by Los Angeles Housing Department (LAHD) to assess the applicant's creditworthiness. Information provided that is contained in public records cannot be withheld from disclosure under the California Public Records Act Gov. Code Sections 6250 and 6254. All other information may be required to be disclosed outside the agency by state and/or federal law.

Furnishing all information requested on this form is mandatory. Failure to provide such information may result in disqualification of the application or a withdrawal of LAHD's commitment.

CRIMINAL PENALTIES. Any person who shall knowingly make or cause to be made in writing, either directly or indirectly, any false statement, with the intent that it shall be relied upon, for the purpose of procuring the loan secured by real property, shall be guilty of a criminal offense, punishable by a fine not exceeding ten thousand dollars (\$10,000.00), or by imprisonment in a county jail not exceeding six months, or by both the fine and imprisonment. California Penal Code sections 532(a) and 532(f).

CONTINUING OBLIGATION. The applicant has a continuing obligation to provide LAHD with current and accurate information. Applicant must provide to LAHD all requested information; with an Applicant's Certification Statement for any individual or entity that LAHD, in its sole discretion, believes is necessary to evaluate the application (reasonably related to the applicant).

By signing below, authorization is hereby provided to LAHD to verify any and all information provided in the proposal, including, but not limited to, the organization's credit rating, status and payment history of real estate loans and performance on contracts with third parties. LAHD is further authorized to utilize photocopies of this authorization to obtain third party contractual and credit references and status of the organization's obligations. I understand that the confidentiality of the information I have furnished will be preserved except where disclosure of this information is required by applicable law.

CERTIFICATION/AUTHORIZATION. I/(we), the undersigned, certify that the information provided to LAHD in this AFFORDABLE HOUSING TRUST FUND NOTICE OF FUNDING APPLICATION (NOFA) is true and correct as of the date set forth below my/(our) signature on this application package and acknowledge that any false or misleading statements of the information contained may result in civil liability and liability for monetary damages to the lender, its agents, successors, and assigns, insurers and any other person who may suffer any loss due to reliance upon any false or misleading statements which I have made on this application.

NAME OF ENTITY

200__ AHTF NOFA ROUND __

By: _____

Print Name: _____

Its: _____

Date: _____

Attachment 6

**FORM LETTER REGARDING DAVIS-BACON/STATE PREVAILING WAGE
REQUIREMENTS**

(On Applicant's Letterhead)

Date

**Subject: 2009 AHTF NOFA Application
Name of Project
Project Address**

This letter affirms that the construction costs submitted with the 2009 AHTF NOFA application dated _____ for the subject project presumes the payment of Davis-Bacon and/or State Prevailing wages, in accordance with Sections 1.10.5, 1.10.6, and 2.11 of the aforementioned NOFA.

Sincerely,

**NAME OF AUTHORIZED SIGNATORY
Title**

**_____
Signature of Authorized Signatory**

Attachment 7

AFFORDABLE HOUSING TRUST FUND PROGRAM APPLICATION

APPLICANT(S) / BORROWER(S) CERTIFICATION STATEMENT

Each general partner(s) and applicant(s) / project sponsor(s) must complete this certification statement. All questions must be answered. Do not leave any question unanswered. If not applicable, write "N/A" after the question. **If you answered "Yes" to any of the questions, please provide an explanation for each answer on a separate sheet and attach it to this certification statement.**

PROJECT NAME: _____

PROPOSED BORROWER'S NAME: _____

		YES	NO
1.	Has the applicant or any of its partners or principals been suspended, revoked, lapsed and/or terminated for any reason?	<input type="checkbox"/>	<input type="checkbox"/>
2.	Has the applicant or any of its partners or principals filed for bankruptcy? If yes, please explain and state the case number and whether the case was dismissed, discharged or is current.	<input type="checkbox"/>	<input type="checkbox"/>
3.	Has the applicant or any of its partners or principals defaulted on a financial obligation?	<input type="checkbox"/>	<input type="checkbox"/>
4.	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 or principals?	<input type="checkbox"/>	<input type="checkbox"/>
5.	Has a lien ever been filed against real property owned by the applicant or any of its partners or principals as a result of a judgment, etc.?	<input type="checkbox"/>	<input type="checkbox"/>
6.	Is the applicant or any of its partners or principals currently subject to, or been notified that it may be subject to, and/ or ever been convicted of a felony or misdemeanor other than minor traffic violations and/or placed on probation, fined or given a suspended sentence in court?	<input type="checkbox"/>	<input type="checkbox"/>
7.	Has the applicant or any of its partners or principals ever been convicted of a misdemeanor, including but not limited to a conviction under local health, fire, environmental and/or building and safety laws, relating to the ownership and/or management of real property?	<input type="checkbox"/>	<input type="checkbox"/>
8.	Does the applicant have any employees or relatives who have close associations with current or former employees of the Los Angeles Housing Department (LAHD)?	<input type="checkbox"/>	<input type="checkbox"/>
9.	Are any current or former employees of LAHD currently employed by the applicant? Does the applicant currently employ relatives of any LAHD employees?	<input type="checkbox"/>	<input type="checkbox"/>
10.	Are there any LAHD current or former employees that have a financial interest in this project?	<input type="checkbox"/>	<input type="checkbox"/>

11.	Has the applicant or any of its partners failed to comply with Davis-Bacon wage requirements on any previous development projects?	<input type="checkbox"/>	<input type="checkbox"/>
12.	List any additional names or aliases, exercise of power of attorney and/or fiduciary trust capacities that you are currently using or have used in the past. If any, please explain. ▪		
13.	List all partnerships, corporations, joint ventures, and/or limited partnership entities, (including the applicant, if applicable), which you are currently or have been associated with, and designate whether you/were a principal and list your title and responsibilities, the purpose of the organization and its current status. ▪		
14.	List ALL residential income properties (Attachment 7b) you currently own that are located within the City limits of LOS ANGELES. The Assessor's Parcel Number (APN's) are required for each property owned by the applicant and/or any of their partners, or in which any of their principals have a vested interest. This information will be used to determine: 1) whether the property has any outstanding Rent Registration or Code (SCEP) fees due to the City, and 2) whether the property has any outstanding cited habitability violations, and 3) if the property is in any of the City's compliance programs due to unabated habitability violations. In order to satisfy this requirement, applicants must complete and save Attachment 7b in a diskette, in MS Excel format, and submit the diskette with the application binder.		

CERTIFICATION/AUTHORIZATION. I/(we), the undersigned, certify that the information provided to LAHD in this AFFORDABLE HOUSING TRUST FUND application is true and correct as of the date set forth below my/(our) signature on this application package and acknowledge that any false or misleading statements of the information contained may result in civil liability and liability for monetary damages to the lender, its agents, successors, and assigns, insurers and any other person who may suffer any loss due to reliance upon any false or misleading statements which I have made on this application.

AHTF NOFA 20 Round

Name of Entity _____

Signature

Date

Type or Print Name

Title

Attachment 7b -List of Properties



In accordance with Section 2.12 of the AHTF NOFA, the information provided below will be used to determine if properties that received CDD, CRA, or LAHD funding are in compliance with LAHD Business Policy, including: 1) whether the loan has any outstanding monetary obligation(s); 2) if there are any unpaid property taxes; 3) if evidence of adequate insurance coverage has been provided to the LAHD.

All residential rental properties within City of Los Angeles limits must be disclosed, regardless of funding source, to determine: 1) whether the property has any outstanding Rent Registration or Code (SCEP) fees due the City; 2) if there are outstanding cited habitability violations and; 3) if the property is in any of the City's compliance programs due to unabated habitability violations.

List ALL residential income properties, located within Los Angeles City limits, that the applicant and the applicant's partners and/or principals have (or previously had) a vested interest in, including all properties currently or previously owned by any of the aforementioned parties. For projects that received CDD, CRA, or LAHD funding, indicate the loan amount(s) and the loan and project numbers associated with each project.

LIST EACH 10-DIGIT APN SEPARATELY (i.e., 1111-222-333, 1111-222-334, 1111-222-335).

Failure to disclose all applicable properties may result in disqualification of your application.

PROJECT NAME:

Project Address:

Other General Partners:

Developer/Project Owner:
Managing General Partner:

Additional Partner:

DO NOT LIST PROPERTIES LOCATED OUTSIDE THE CITY OF LOS ANGELES

Applicant/Partner* <small>(List the name of entity who currently owns/is vested in the listed property)</small>	APN(s)* <small>(All APN's associated with each location)</small>	Property Name*	Property Addresses*	City/Community*	Zip Code*	Lender <small>(Check all that apply)*</small>				Loan Number(s)	Loan Amount(s)	# of Units*	Year Built*	Date of Purchase*	Tenant Occupied at Date of Purchase? (Y or N)*		
						CDD	CRA	LAHD	OTHER								

* Required field. If additional sheets are necessary, photocopy this form and complete all required information.

Attachment 8

(This form must be printed on Community Redevelopment Agency-LA Letterhead)

LETTER OF ACKNOWLEDGEMENT & SUPPORT

Project Name: _____

Project Address: _____

Name of Developer: _____

Mailing Address: _____

Telephone Number: _____

CRA REDEVELOPMENT PROJECT AREA STATUS:

The entire parcel upon which the above-mentioned project will be located is:

- Within the following Redevelopment Project Area:

- Contiguous to the following Redevelopment Project Area:

- Neither within nor contiguous to any CRA/LA Redevelopment Project Area.

CRA READINESS/FEASIBILITY CRITERIA:

Has the project completed the Agency's Design Review Requirements?

- Yes
- No
- Review Pending
- Not Applicable

As proposed, is the project consistent with the project area redevelopment plan?

- Yes
- No
- Unable to Determine based on Information Submitted
- Not Applicable

As proposed, and if applicable, is the project consistent with CRA Housing Design Guidelines?

- Yes
- No
- Review Pending
- Unable to Determine based on Information Submitted
- Not Applicable

As proposed, and if applicable, is the project consistent with Design for Development (DFD) or other project area specific Design Guidelines.

- Yes
- No
- Review Pending
- Unable to Determine based on Information Submitted
- Not Applicable

Are you aware of any other CRA policies or guidelines that would impact the construction of this project within the proposed redevelopment area?

- Yes Explain:
- No

Additional Comments: Are you aware of any discrepancies between the proposed application and the Agency application?

- Yes Explain:
- No

CRA RECOMMENDATION:

- Strongly Support
- No Position
- Oppose
- Strongly Oppose

Please Explain: _____

TO BE COMPLETED BY CRA REPRESENTATIVE:

Completed by: _____ Dated: _____

Signature: _____ Title: _____

Please visit the CRA website at www.CRALA.net to obtain copies of applicable policies, guidelines and specific redevelopment plans. You should specifically refer to the CRALA Project Area tab and the Housing Program tab.

**ATTACHMENT 9
LOS ANGELES HOUSING DEPARTMENT
PROPERTY MANAGEMENT PLAN**

Project Name: _____ **Total Number of Units:** _____

Project Address: _____ **No. of Restricted Units:** _____

Project Owner: _____

Owner's Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Contact Person: _____ **Position/Title:** _____

Daytime Phone: () _____ **Phone:** () _____ **Fax:** () _____

Mailing Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Complete the Property Management Plan by providing the information requested. If a series of multiple choices are offered, respond with an "X" to all that apply. In responding to the "OTHER" category, attach a separate paper when needed. **Items that already have an "X" are mandatory.**

Financial Management

1. The following person(s) is/are responsible for the project's financial management:

(Name, Title/Position)

Her/His/Their duties include:

- _____ Collecting rents and other income.
- _____ Paying bills and tracking expenses (including taxes).
- _____ Purchasing equipment or supplies.
- _____ Preparation of the annual project budget. (*income, expenses, capital expenditures, funding of project reserves*)
- _____ Preparation of the annual financial audit.
- _____ Other _____

2. Describe how you will provide for financial reporting on your projects:

- a. Bookkeeping, accounting and financial reports will be performed by _____
- b. Financial reports will be prepared by _____ at least _____ times a year and sent to _____, the project manager / owner. (*Circle one*)

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

Tenant Management

3. The following person is responsible for tenant management:

(Name, Title/Position)

Her/His duties include:

- | | |
|---|--|
| <input type="checkbox"/> Marketing vacant units | <input type="checkbox"/> Tenant screening |
| <input type="checkbox"/> Tenant selection | <input type="checkbox"/> Resolution of tenant problems |
| <input type="checkbox"/> Notice of rent delinquency | <input type="checkbox"/> Enforcement of House Rules <i>(Attach a copy)</i> |
| <input type="checkbox"/> Eviction | <input type="checkbox"/> Other _____ |

4. The following agreements between owner and tenant will be used:

- Owner's lease agreement (ATTACH A SAMPLE OF THE AGREEMENT TO BE USED)
- City's Mandatory Addendum to Lease or Rental Agreement (provided by the LAHD)
- Other agreements (IDENTIFY HERE AND ATTACH SAMPLES):

There are a total of _____ units restricted for occupancy by Low Income Households at affordable rent as stipulated in Regulatory Agreement No.: _____ and signed and dated _____.

Affirmative marketing describes the steps to be taken to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area to the available housing. *(Read the Affirmative Marketing Goals and Procedures prior to filling out this section)*

6. To assure all restricted units are affirmatively marketed the Owner will accomplish the following:

- Assure all advertising media includes a reference to "Equal Housing Opportunity".
- Where a significant number of persons in the community have limited fluency in the English language, provide marketing information and leases in the native language(s) of such persons.
- Promptly notify applicants of their eligibility status and placement on a waiting list.
- Other *(Attach separate paper if needed:)* _____

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

7. Owner will market available rental units using the following methods: *(Pick at least one method in addition to newspaper ad)*

X Place ad in neighborhood and/or local newspaper. Identify specific papers:

_____ Place flyer or notice with churches, community organizations. Identify specific organizations and locations:

_____ Place flyer or notice with real estate associations. Identify specific associations:

_____ Other: _____

If no media advertisement is planned, give reason: _____

8. The following steps will be taken to inform and solicit applications from persons identified as least likely to apply for the restricted units without special outreach.

a. Based upon a review of the ethnic and racial distribution of the neighborhood surrounding the available units, the target group(s) least likely to apply without special outreach is (are) *(Pick one or more)*:

_____ African American/Black

_____ American Indian/Alaskan Native

_____ White

_____ Cuban

_____ Other Hispanic or Latino

_____ Native Hawaiian or other Pacific Islander

_____ Asian

_____ Mexican/Chicano

_____ Puerto Rican

_____ Non Hispanic or Latino

b. Planned outreach consists of the following actions:

_____ Placing notice(s) in newspapers(s) of general circulation.

(Examples of newspapers of general circulation include the Los Angeles Times, La Opinion, Nuestro Tiempo, The Sentinel, Daily News, Korean Times, Wave, Daily Journal).

Identify: _____

X Distributing flyers to social service or special purpose groups.

(A list of social service /special purpose group contacts is attached to this document as well as other forms and information to help you complete this item).

Attach the list of social service agencies you will contact to this document.

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

9. Affirmative marketing and outreach for filling vacant units will be documented in the following manner:
(Refer to Loan Document and Covenant for further information on record keeping requirements)

- Maintenance of a file copy of media ads and or flyers.
- Maintenance of file notes on who was contacted or where bulletins were posted.
- Making "How did you hear about this vacancy?" a question on the tenant application.
- Other: _____

10. Tenants for the restricted units will be selected in the following manner:

- Maintenance of a list by the date the application is received according to income group, and filling vacancies in application date order.
- Screening of tenants through the use of credit history, tenant history, and references, if available, to determine suitability for occupancy.
- Giving consideration to families eligible for public housing.
- Giving preference to qualified households who have been displaced as a result of City of Los Angeles public projects, when other selection criteria are also met.
- Other applicant screening procedures: _____

11. On behalf of the City, Owner will collect and submit to the City the following demographic information on all tenants occupying restricted units in the Project:

- Income Level
- Gender
- Ethnicity

12. At initial occupancy, every sixth year, or upon request, income eligibility for each tenant in a restricted unit will be determined in the following manner:

- Follow definition of income appropriate to the loan. (Definition of income is attached)
- Have the applicant complete, sign and submit a Tenant Income and Rent Certification Form.
- Calculate tenant income by reviewing source documentation (Check as applicable):
 - Obtain employment check stubs.
 - Verify SSI pension, AFDC payment, public assistance, and other income.
 - Calculate and include income from assets.
 - Examine applicant income tax return.
 - Verify income with employer.
 - Other: _____

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

13. Annual recertification of each tenant's eligibility in a restricted unit will be determined in the following manner:

- Follow definition of income appropriate to the loan (*Definition of income is attached*).
- Have the applicant complete, sign and submit a Tenant Income and Rent Certification Form.
- Other: _____

14. Maximum allowable rents must be reduced if the tenant pays for utilities. Accordingly, which of the following utilities are paid by the tenant?

- | | | | |
|--------------------------|-------------------|--------------------------|------------------------|
| <input type="checkbox"/> | Gas Heating | <input type="checkbox"/> | Basic Electricity |
| <input type="checkbox"/> | Gas Cooking | <input type="checkbox"/> | Electric Cooking |
| <input type="checkbox"/> | Gas Water Heating | <input type="checkbox"/> | Electric Water Heating |
| <input type="checkbox"/> | Water | <input type="checkbox"/> | Electric Heating |
| <input type="checkbox"/> | Trash/Garbage | <input type="checkbox"/> | Air Conditioning |
| <input type="checkbox"/> | Other: _____ | | |

15. When there is at least one parking space per unit and/or ample parking available, as required by the zoning regulations for the City of Los Angeles, then parking is considered an entitlement when calculating maximum allowable rent. When there is less than one space per unit, parking can be considered an amenity. However, this amenity must be offered to tenants in restricted units. Accordingly, check one of the following:

- There is at least one parking space per unit and/or ample parking available as required by the City of Los Angeles zoning regulations.
- There is less than one parking space per residential unit. Parking will be offered to tenants on the following basis:
 - Seniority
 - Other: _____

16. To establish initial payment and adjust rental payments by a tenant in an assisted unit (increases or decreases), the Owner will take the following action:

- Rely upon the City to provide annual changes in maximum rent levels.
- Check annually, or as needed, with the City to verify maximum rent levels.
- Re-examine monthly utility allowances annually.
- Other: _____
- If rents increase 10% or more, tenants are notified in writing at least 60 days prior to the increase.

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

17. A unit not assisted with Program Funds, as stipulated in the Regulatory Agreement, will be charged market rate rent. Units assisted with Program Funds will be charged rent based on the area median income guideline, as stipulated in the Regulatory Agreement. The owner is required to verify the income eligibility of tenants in restricted units according to program guidelines (See Affordability and Compliance Reporting Requirements). If the tenant(s) fail to submit income information, the Owner will take the following action:

Give notice to tenant(s) of payment increase to the full rental rate of the unit.

Other: _____

18. Security deposit refunds will be handled according to the following policy:

Security deposit, less repair costs, will be refunded within _____ days of the tenant vacating the unit.

Other: _____

19. Delinquent payment of rents and eviction proceedings will be handled according to the following procedure:

Grace period for late rents? If yes, how many days? _____

If rent is not collected within the designated grace period, the following action(s) will be taken:

Issue a "Notice To Pay or Quit".

If not satisfied, proceed with the Unlawful Detainer Process.

Retain an attorney to handle legal proceedings.

Other: _____

20. Owner shall notify the tenant of the scheduled expiration date of rent restrictions associated with this unit and provide written evidence of such notice to the City. At a minimum, notices shall be given to the tenant at the following three periods: (a) prior to initial rental; (b) one year prior to the Covenant expiration date; and (c) 90 days prior to the Covenant expiration date.

21. If a unit must be vacated as a result of demolition, major rehabilitation, or for other reasons during the construction phase of your loan, payment of relocation fees to the tenant may be required. The following person will be responsible for giving the tenant the necessary notices and paying the relocation fees:

(Name and Title/Position, phone number)

22. Should willful destruction and/or other illegal activities occur in your units, the Owner will take the following action: (Check at least one):

Report the activity to appropriate authorities.

Initiate eviction proceedings if appropriate.

Other: _____

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

Maintenance Management

23. The Owner will provide for maintenance and repairs in the following manner:

- All units will be inspected when tenants leave, as well as on an annual basis, using the attached review list. Repairs will be made as needed as well as prior to renting to a new occupant. A record of inspections and repairs will be maintained.

The following persons or companies will be responsible for the indicated maintenance services (must be completed):

_____ is the person/company responsible for performing routine maintenance and general repairs and for maintaining the City's Housing Quality Standards (*Attached*).

_____ is responsible for responding to routine emergencies.

_____ is responsible for major repairs of the building and equipment. At least annually the building exterior, common grounds and major systems (including plumbing, electrical, heating, roofing) will be inspected using the attached review list and repairs will be made as needed. A record of inspections and repairs will be retained. Adequate replacement reserves will be properly maintained.

_____ is responsible for garbage and trash collection.

24. Landscaping and grounds maintenance will be provided in the following manner:

Tree and shrub care _____

Lawn care _____

Lawn sprinklers _____

The person/company responsible for landscape maintenance is _____

Is a maintenance and grounds keeper provided? Yes _____ No _____

25. Methods of preventive security that will be used at the property:

- | | | | |
|-------|-------------------------------|-------|----------------|
| _____ | Fire alarms and extinguishers | _____ | Security Doors |
| _____ | Exterior lighting | _____ | Electric gates |
| _____ | Observation cameras | | |
| _____ | Other: | | |

26. _____ is the person responsible for maintaining property and liability insurance.

27. Owner shall permit the City to enter and inspect the Project and all Project units for compliance with local habitability, safety and health code regulations. LAHD may give written notice to the Owner to correct the deficiencies within thirty (30) days.

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

Management Company Information

Check here if owner will manage property and no Management Company will be used. _____

If a Management Company will be used, complete the information below:

The following Management Company has been employed to carry out the duties described above:

Company Name: _____

Company Address: _____

Contact Person: _____ Position/Title: _____

Company Phone: _____ Company Fax: _____

Name of On-site Manager, if different: _____

Phone Number: _____ Fax Number: _____

Please attach the following information about the Management Company to this form:

- X Current number of units managed
- X Current number and type of units managed in Los Angeles
- X Number of years experience in property management
- X Three examples of properties of comparative size and location in Los Angeles
(Give Name and address of projects and name and phone number of contact persons)
- X Copy of agent's real estate license
- X Copy of Management Agreement between Owner and Management Company

OWNER'S STATEMENT OF MANAGEMENT PLAN ACCEPTANCE

I AGREE that the above-referenced property will be managed in the manner described above.

Owner (Signature)

Date of Signature

Owner (Print Name)

Owner (Phone No.)

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

AFFORDABLE HOUSING REFERRAL FORM LOS ANGELES CITY PLANNING DEPARTMENT

This form is to serve as a referral to Planning Public Counter for affordable housing case filing purposes (in addition to the required Master Land Use Application and any other necessary documentation) and as a referral to LAHD, CRA, LA County, or other City agency for project status and entitlement need purposes. Please refer to Affordable Housing Referral Form (AHRF) Instructions Sheet for additional information on completing this form. This form shall be completed by the applicant and reviewed and signed by Planning staff.

CITY STAFF USE ONLY

Referral To: <input type="checkbox"/> Public Counter- Filing <input type="checkbox"/> LAHD Funding <input type="checkbox"/> CRA <input type="checkbox"/> LA County <input type="checkbox"/> Other: _____		
NOTES: 		
Planning Staff Name and Title	Planning Staff Signature	Date

I. PROPOSED PROJECT

1. PROJECT LOCATION/ ZONING

Project Address: _____

Project Name: _____

Applicant Name and Contact Information: _____

Assessor Parcel Number(s): _____

Community Plan: _____ Number of Lots: _____ Lot size: _____ s.f.

Existing Zone: _____ Land Use Designation: _____

Specific Plan
 HPOZ
 DRB
 Enterprise Zone
 CRA

Q-condition/ D-limitation/ T-classification (please specify): _____

Other pertinent zoning information (please specify): _____

2. PROPOSED PROJECT

Description of Proposed Project: _____

	Type of Use	Square Feet	# of Units
Existing			
To be Demolished			
Proposed			
TOTAL			

3. APPLICATION STATUS & TYPE

A. Status of Application

- Not Required: Ministerial²
 - Entitlement Case Required and needs to be filed with Planning
 - Case Filed: (1) (2) (3)
- Case Number(s): _____
- Date Filed: _____
- Date Approved: _____
- End of Appeal Period: _____

B. Type of Application (please select only one)

	1. <input type="checkbox"/> Density Bonus (per LAMC 12.22.A.25, Ordinance 179,681) <i>(Please Complete Sections I, II & V)</i>	2. <input type="checkbox"/> Greater Downtown Housing Incentive Area (per LAMC 12.22.A.29, Ordinance 179,076) <i>(Please Complete Sections I, III & V)</i>	3. <input type="checkbox"/> Senior Independent Housing/ Assisted Living Care Housing/ Disabled Persons Housing (per LAMC 12.21.A.4.u, Ordinance 178,063) <i>(Please Complete Sections I, IV & V)</i>	4. <input type="checkbox"/> Other: (please specify): <i>(Please Complete Sections I & V)</i>
Ministerial ²	<input type="checkbox"/> LADBS- Ministerial o Density Increase o Parking Reductions (option 1 or 2)	<input type="checkbox"/> LADBS- Ministerial o Exempt from SPR	<input type="checkbox"/> LADBS- Ministerial	<input type="checkbox"/> LADBS- Ministerial : (please specify)
Discretionary ³	<input type="checkbox"/> Density Bonus with Incentives ON the Menu	<input type="checkbox"/> Site Plan Review	<input type="checkbox"/> Site Plan Review	<input type="checkbox"/> Discretionary : (please specify)
	<input type="checkbox"/> Multiple entitlement with Incentives ON the Menu	<input type="checkbox"/> Other entitlement	<input type="checkbox"/> Other entitlement	
	<input type="checkbox"/> Density Bonus with Incentives NOT ON the Menu ⁴			
	<input type="checkbox"/> Multiple entitlement with Incentives NOT ON the Menu ⁴			

II. DENSITY BONUS (LAMC Sec.12.22.A.25, Ordinance 179,681)

4. HOUSING DEVELOPMENT PROJECT TYPE (please select one)

- (1) For Sale or Rental Housing with Low or Very Low Income Restricted Affordable Units
- (2) For Sale or Rental Senior Citizen Housing (Market Rate)
- (3) For Sale or Rental Senior Citizen Housing with Low or Very Low Income Restricted Affordable Units
- (4) For Sale Housing with Moderate Income Restricted Affordable Units

5. DENSITY BONUS CALCULATION:

A. Base Density: Maximum density allowable per zoning

Lot size _____ sf. (a)
 Density allowable by zone _____ units/s.f. of lot area (b)
 Units allowed by right (Base Density) _____ units (c) [c = a/b, round down to whole number]

B. Maximum allowable Density Bonus: _____ units (d) [d = c x .35, round up to whole number]

C. Proposed Project: Please indicate total number of Units as well as breakdown by levels of affordability set by each category (HCD or HUD). For information on HCD and HUD levels of affordability please contact Los Angeles Housing Department's Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

	Total	HCD (State) ⁵	HUD (TCAC) ⁶
Market Rate	_____	N/A	N/A
Managers Unit(s)- Market Rate	_____	N/A	N/A
Very Low Income	_____	_____	_____
Low Income	_____	_____	_____
Moderate Income	_____	_____	N/A
Seniors- Market Rate	_____	N/A	N/A
Seniors- Very Low Income	_____	_____	_____
Seniors- Low Income	_____	_____	_____
Total # of Units per Category	_____	_____ (e)	_____ (f)
TOTAL # of Units Proposed	_____ (g)		
Total # of HCD Restricted Affordable Units	_____ (h)		
Percent of HCD Restricted Affordable Units	_____ (i) [i = h/c or h/g, whichever is less, c or g]		
Number of Density Bonus Units	_____ (j) [If g>c, then j=g-c; if g<c, then g= 0]		
Percent Density Bonus Requested	_____ (k) [k= j/c]		

6. SITE PLAN REVIEW CALCULATION: An application for Site Plan Review may be required for projects that meet the Site Plan Review threshold(s) as outlined in LAMC Section 16.05.C. unless otherwise exempted per Section 16.05.D. For Density Bonus projects involving bonus units, please use the formulas provided below to determine if the project meets Site Plan Review threshold for unit count. If project meets the threshold(s) but qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

If number of Proposed units [(g) from above] is less than the number of By Right/ Base Density units [(c) from above], then:

(g) – existing units = _____

- YES, Site Plan Review is required, if Proposed units minus existing units is greater than or equal to 50
- NO, if Proposed units minus existing units is less than 50
- Exempt (please specify): _____

If number of Proposed units [(g) from above] is greater than the number of By Right/ Base Density units [(c) from above], then:

(c) – existing units = _____

- YES, Site Plan Review is required, if By Right/ Base Density units minus existing units is greater than or equal to 50
- NO, if By Right/ Base Density units minus existing units is less than 50
- Exempt (please specify): _____

7. DENSITY BONUS OPTIONS (Please check all that apply)

- Land Donation
- Child Care
- Restricted Affordable Units Located Near Transit Stop/ Major Employment Center
- Common Interest Development with Low or Very Low Income Restricted Affordable Units for Rent
- Condominium Conversion
- Parking (Please choose only one option)

Parking Option 1: Based on # of bedrooms, inclusive of Handicapped and Guest parking

	# of Units		# of Spaces/Unit	Parking Spaces
0-1 Bedroom		x	1	
2-3 Bedrooms		x	2	
4 or more Bedrooms		x	2.5	
TOTALS				

Parking Option 2: Reduced only for Restricted Affordable Units

	# of Units		# of Spaces/Unit	Parking Spaces'
Market Rate (Including Senior Market Rate)		x	Per code	
Restricted Affordable		x	1	
Very Low or Low Income Senior or Disabled		x	.5	
Restricted Affordable in Residential Hotel		x	.25	
TOTALS				

8. INCENTIVES

A. Qualification for Incentives On the Menu: (Please check only one)

Incentives	% Very Low Income	% Low Income	% Moderate Income
One	<input type="checkbox"/> 5% to <10%	<input type="checkbox"/> 10% to <20%	<input type="checkbox"/> 10% to <20%
Two	<input type="checkbox"/> 10% to <15%	<input type="checkbox"/> 20% to <30%	<input type="checkbox"/> 20% to <30%
Three	<input type="checkbox"/> 15% or greater	<input type="checkbox"/> 30% or greater	<input type="checkbox"/> 30% or greater
3+	<input type="checkbox"/> (Specify): _____	<input type="checkbox"/> (Specify): _____	<input type="checkbox"/> (Specify): _____

B. Project Zoning Compliance & Incentives (Please check all that apply)

	Required/ Allowable	Proposed	ON Menu	OFF Menu
<input type="checkbox"/> (1) Yard/ Setback (each yard counts as 1 incentive)				
<input type="checkbox"/> Front	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Rear	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Side(s)	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (2) Lot Coverage	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (3) Lot Width	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (4) Floor Area Ratio	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (5) Height	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (6) Open Space	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (7) Density Calculation	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (8) Averaging FAR,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
Density,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
Parking,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
OS,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
Vehicular Access	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Other (please specify): _____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

TOTAL # of Incentives Requested: _____

9. **COVENANT:** All Density Bonus projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit **before** a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

**III. GREATER DOWNTOWN HOUSING INCENTIVE AREA (GDHIA)
(LAMC Sec.12.22.A.29, Ordinance 179,076)**

10. ELIGIBILITY FOR FLOOR AREA BONUS

NOTE: Published affordability levels per the United States Department of Housing and Urban Development (HUD/TCAC). Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

- (1) 5% of the total number of dwelling units provided for Very Low Income households; and
- (2) One of the following shall be provided:
 - o 10% of the total number of dwelling units for Low Income households; or
 - o 15% of the total number of dwelling units for Moderate Income households; or
 - o 20% of the total number of dwelling units for Workforce Income households
- (3) Any dwelling unit or guest room occupied by a household earning less than 50% of the Area Median Income that is demolished or otherwise eliminated shall be replaced on a one-for-one basis within the Community Plan Area in which it is located.

11. INCENTIVES (Please check all that apply)

- (1) A 35% increase in total floor area.
- (2) Open Space requirement pursuant to Section 12.21.G reduced by one-half, provided fee is paid.
- (3) No parking required for units for households earning less than 50% AMI.
- (4) No more than one parking space required for each dwelling unit.

12. **SITE PLAN REVIEW:** Any residential (including Apartment Hotel or mixed-use) building located within the Greater Downtown Housing Incentive Area is required to complete a Site Plan Review unless otherwise exempted per LAMC Section 16.05.D. If project qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

13. **COVENANT:** All GDHIA projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit **before** a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

**IV. SENIOR INDEPENDENT HOUSING/ ASSISTED LIVING CARE HOUSING/ DISABLED PERSONS HOUSING
(LAMC Sec.12.21.A.4.u, Ordinance 178,063)**

14. PARKING REDUCTION

- May be reduced to 50% of the number otherwise required by code if all of the following requirements are met:

15. ELIGIBILITY FOR REDUCED PARKING

- (1) Occupied by at least one person who is disabled or 62 years of age or older, except for management or maintenance personnel unit.
- (2) At least 10 square feet of indoor recreation space and at least 50 square feet of usable open space for each dwelling unit in the development, both available and accessible to all residents of the development.
- (3) Record a Covenant and Agreement with Building and Safety.

V. REQUIRED FOR ALL APPLICATIONS

16. ENVIRONMENTAL STATUS

(Please check only one)

- Not Required: Ministerial (*CEQA does not apply-may proceed to Building and Safety, no Planning action required*)
- Not Filed: (*Please visit the Planning Public Counter and inquire about completing either an Environmental Assessment Form or a Categorical Exemption*)

- Filed:
 - Categorically Exempt⁸
 - Negative Declaration⁸
 - Mitigated Negative Declaration^{8,9}
 - Environmental Impact Report⁸
 - Reconsideration of previous Environmental Review

(Please provide the following information for all filed cases)

Case Number: _____

Date Filed: _____

Date Completed: _____

End of Comment Period: _____

Date Adopted/ Certified: _____

Date Filed with County Clerk: _____

Exhausted All Appeals Date: _____

17. OTHER L.A.M.C. PROVISIONS

(Please check all that apply and give brief description)

- Site Plan Review (If applicable but Exempt, please provide letter of Exemption signed by authorized Site Plan Review Section planner)
- Specific Plan Project Permit Compliance: _____
- CU: _____
- ZV: _____
- ZAA: _____
- Tract or Parcel Map: _____
- Other (please specify): _____

18. TYPES OF FUNDING BEING CONSIDERED

(Please check all that may apply)

- Los Angeles Housing Department
 - Affordable Housing Trust Fund (AHTF)
 - Permanent Supportive Housing Program (PSHP)
 - Bonds
- Multi-Family Housing Program (MHP)
 - General
 - Permanent Supportive Housing
- Los Angeles County- City of Industry Funds
- Tax Credit Equity
 - 4%
 - 9%
- Community Redevelopment Agency
- Other (please specify): _____

NOTES:

¹ Please provide certificate of occupancy

² Ministerial Projects (aka, "By-Right") do not require any discretionary Planning approvals. Developers of such housing file building plans with the Department of Building & Safety. Plans are checked for compliance with the Building Code and, when in compliance, permits are issued to begin construction.

³ Discretionary Projects require Planning decisions and approval.

⁴ Any waiver or modification of development standards not listed ON the menu of Incentives in the Density Bonus Ordinance.

⁵ HCD (State)= Published affordability levels per California Department of Housing and Community Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

⁶ HUD (TCAC)= Published affordability levels per the United States Department of Housing and Urban Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

⁷ Up to 40% of the required parking for the Restricted Affordable Units may be provided by compact stalls.

⁸ Need to file with County Clerk if applying for public funding

⁹ All projects applying for City of Industry (Los Angeles County) Funds need to prepare a Mitigation Monitoring Plan

Exhibit 1

Request for Information Form

If you have questions regarding requirements of the 2009 Affordable Housing Trust Fund NOFA, please submit them in writing to:
NOFA08@LAHD.LACITY.ORG or fax them to Tim Elliott at (213) 808-8597 and include the following information:

Name of Project:

Address of Project:

Name of Contact Person:

Email Address of Contact Person:

Section of Regulations, Exhibit or Attachment to Which Question Pertains:

Question(s):

=====

LAHD Use Only

Date Received: _____

Date Answered: _____

Answered By: _____

LAHD Architectural Requirements

Contact:

Alfred Muhammad

Architectural Unit, Major Projects Division
 Los Angeles Housing Department,
 1200 W 7th Street, Los Angeles CA 90017
 Tel: (213) 808-8622, Fax: (213) 808-8918
 EMAIL: amuhammad@lahd.lacity.org

Revision Date: 8/21/07

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Part 1

ARCHITECTURAL DESIGN GUIDELINES

PURPOSE OF DOCUMENT

The purpose of this document is to inform developers, design professionals, and the public of the design review process that is required to acquire Los Angeles Housing Department (LAHD) funding for multi-family housing developments including the Permanent Supportive Housing Program (PSHP).

This is a guideline for architectural design issues, and represents an important step in acquiring LAHD financing for your development project.

These design guidelines are to promote and assist in the development of well-designed, quality, affordable housing in a cost effective manner.

Within the project, the design of the affordable units shall not be any different than for market rate units: The quality of spaces and material, number and size of rooms, amount of closet space, amenities available, etc, shall be the same as for market rate units.

This document is not intended to limit the designers' creativity to any particular solution. Designers and development teams are encouraged to find innovative and creative design solutions to affordable housing projects.

DESIGN REVIEW PROCESS

The design review process is initiated when a developer submits a completed LAHD application. See Part 3, for list of drawings and other documentation for complete design review submittals.

Design Review continues through out the application process, with reviews occurring at:

- Concept Phase (Submittal of Application)
- Schematic Design Phase,
- Construction Documents Phase.

Each submittal is reviewed by LAHD architectural unit staff and may be discussed in conference with the developer and architect. The developer and architect will receive a letter stating that the design conforms to the guidelines, or if further measures must be taken to successfully meet the design guidelines.

The design review process is concurrent with the proforma analysis, appraisal, loan underwriting, and land disposition process. These project reviews interact with and influence each other. Financial considerations are taken into account in the design review as design affects the value and financing of the project.

Not all of the following design criteria will be applicable to all projects, and some projects may require additional criteria. All applicable codes and ordinances will apply. Consult with all appropriate departments and agencies for requirements.

THE DESIGN REVIEW CRITERIA

SITE PLANNING

NEIGHBORHOOD/SITE CHARACTERISTICS

- Identify neighborhood characteristics: Land use, height, scale, massing of existing structures and relate proposed project to the characteristics found in the neighborhood.
- Identify and mitigate adverse impacts from adjacent use.
- Design landscaping and place building/s with relationships to adjacent uses and views.

DENSITY

- Provide functional and comfortable habitable units; usable indoor common areas; and meaningful, usable open spaces for the adults, adolescents, and children who will reside in the building.
- Provide visual relief by modulating the building footprint and building mass.
- Maintain or improve the pattern of building found within a neighborhood or community.

SURROUNDINGS

- Consider surrounding traffic with respect to safety, noise, and ease of circulation when locating buildings, landscape, pedestrian walkways, and driveways.
- Provide clear separation between pedestrian and vehicle traffic.
- Take adequate safety measures to assure child safety.

NOISE LEVELS

- Comply with State's Noise Insulation Standards (Cal Adm Code Title 25, Section 1092), and City of Los Angeles minimum acceptable noise level criteria for residential construction.
- Design to minimize impact from noise sources using landscape and architectural features.

LOT CONFIGURATION AND TOPOGRAPHY

- Consider size, slope and shape of property to achieve proper placement and density of building on lot.

NEIGHBORHOOD AMENITIES

- Consider adjacencies to cultural facilities if any, such as: museums, neighborhood and/or community parks, recreation areas, theaters, and sport venues.
- Preserve existing assets such as mature landscaping, and near or distant views, whenever possible.

ACCESS TO PUBLIC TRANSIT

- Consider logical pedestrian routes to public transportation such as bus, metro rail, and trains.
- Locate senior citizen housing within walking distance (1500 feet) of public transportation, where possible.

NEIGHBORHOOD PRESERVATION

- Respect the historic nature of the community and comply with "The Secretary of the Interior Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings".
- Assure compatibility with the historical character of surrounding buildings to preserve the unique identity of the area.

BUILDING DESIGN (exterior)

SETBACKS

- Conform front, rear, & side setbacks to prevailing setbacks along street.
- Vary yard depths to provide visual interest and usable yard areas.

HEIGHT AND SCALE

- Relate height and scale of new construction to the prevailing height and scale of existing neighborhood buildings.
- The building should reflect human scale, integrate with, and enhance the surrounding neighborhood.

MASSING

- Break up the mass of the building by using a variety of shapes to express the volume of the building. For example, it may be appropriate to step back the facade of the building to allow for a lower building height at street level, and a taller building height toward the middle or rear of the property.

NEIGHBORHOOD COMPATIBILITY

- Complement the existing neighborhood by taking clues from existing structures to unify the streetscape of the neighborhood. When appropriate, relate facade design, roof shapes, size and rhythm of openings, materials and colors, and architectural style of new buildings to near by buildings.

MATERIALS AND COLORS

- Use materials that do not require expensive maintenance.
- Use of unconventional building materials are not discouraged, but building materials and colors should reinforce the residential character of the building.

ARCHITECTURAL STYLE

- Determine dominant architectural style of the neighborhood (e.g. California bungalow, Mediterranean, Spanish, post WWII era tract) and incorporate contextual elements of that style to create cohesion within neighborhood.
- Make a stylistic change for the better when a neighborhood has no cohesive architectural style or the surrounding structures are of a poor quality and style.
- Architectural embellishment is useful to give the building human scale, and provide

additional design interest and detail upon coming closer to the building.

- Bring architectural design elements to the sides and rear of the building - in addition to the front facade.

BUILDING / STREET CONNECTION

- Maintain building/street connection by avoiding elevating a building above a parking level at grade, which results in blank walls facing the street and adjacent properties (maximum elevation of first floor above sidewalk grade should not exceed four feet).
- Consider the expectation of the pedestrian walking by the building by including a sidewalk, front yard, entry steps, front door, and windows that are equated with residential neighborhoods.

OUTDOOR RECREATION AREA

- Determine residents' needs and design to accommodate intended use.
- Provide secure outdoor spaces for tenants and a play area for children especially for PSHP projects.
- Secure areas shall have good visual connection with other areas of building.
- Address the unique and important needs of the adolescent community by providing a safe and stimulating environment, but respecting their sense of autonomy and satisfying their educational and recreational needs.

LANDSCAPE/HARDSCAPE

- Use drought tolerant and California native plants, as much as possible.
- Design landscape in with low maintenance, durability, graffiti, security, noise, and view considerations in mind.
- Set back walls from sidewalk a minimum of eight inches to allow for landscape.

TRASH COLLECTION

- Trash collection should be unobtrusive and screened from view but convenient for all occupants of building.
- Consider trash chutes or compactors in larger scale buildings.
- Provide adequate space for recycling per Board of Public Works ISWMO guidelines, see Environmentally Responsive Design section of this document for additional information.

EASE OF MAINTENANCE

- Design should allow residents to carry out any routine maintenance with ease.
- Avoid using materials, landscaping, fixtures, or construction types that require excessive maintenance.

ENVIRONMENTALLY RESPONSIVE DESIGN

- Incorporate ecologically sound design principles that create quality living environments for housing residents by using renewable building methods and materials that are low energy consuming, non-toxic, site compatible, and non-destructive to the environment, as much as financially feasible.
- Specify building products with recycled content. Contact the City of Los Angeles' Board of

Public Works-Integrated Waste Management Office (213 978-0228) for more information regarding targeted goals for recycling, and recycled content materials.

- Specify energy efficient mechanical, electrical, and plumbing systems and energy and water conserving appliances and fixtures, as much as possible.
- Utilize passive solar design principles that can lower the building construction cost (smaller HVAC systems) and can lower the cost of living for the residents of the building (lower utility bills). Take advantage of prevailing breeze to allow for natural "through" ventilation. Maximize solar access in winter and minimize solar gain during summer.
- Contact the L.A. Department of Water & Power - Environmental Division (213 367-2261) for additional Information on Energy Efficiency.

HANDICAP ACCESS

- Conform to all applicable disabled access regulations.

VALUE ENGINEERING

- Integrate value engineering in the design process to build in economy from the beginning to avoid costly designs, and long-term problems from the point of view of the owner, manager, and end uses.
- When value engineering is applied after the design is essentially complete, it typically results in stripping the project of amenities, which might otherwise have been afforded - such as reasonable finishes, landscaping, and materials of higher quality and lower maintenance cost.

PARKING AREA

- Avoid letting garages, driveways and parking lots dominate the streetscape by placing them at the rear or side of the site to allow a majority of dwelling units to "front on" the street.
- Consider planting trees and shrubs to soften the overall impact of parking areas and to provide shade and noise reduction.
- Consider improving unavoidable blank walls with decorative artwork, display cases, vines, and good quality durable materials to minimize graffiti and deterioration.
- Minimize walking distance from parking area to building entries.
- Provide a well lit, easily visible path to and from parking area as a security consideration.
- Design to minimize conflicts between vehicles and pedestrians.
- Consider separating bicycle and pedestrian paths from vehicular traffic.

BUILDING DESIGN (interior)

ENTRY CONDITION

- Provide well-defined, gracious, safe entry into building from street and parking area. Utilize transitional elements: steps, landings, porches, lamps, seating, doorways, and lobby area.
- Provide a front desk area that controls security for the building, including entry and exit

for guests, fire safety system monitoring, and communication with residents, for PSHP projects.

- Provide security at all entry conditions (see Design Guidelines: "Design Out Crime", January 1995).

COMMON LAUNDRY

- Location should be convenient to all units.
- Consider locating laundry rooms adjacent to recreation rooms or outdoor recreation areas to allow for supervision of children, or recreation while laundry is being done.
- Provide at least 1 washer and dryer for every 10 units.

RECREATION ROOM

- Determine resident need and design to accommodate intended use including adults, children and adolescents.
- Design recreation room, as with all common areas, to foster a sense of ownership by the tenants of the building.
- For PSHP projects provide;
 - a) Lounge space for residents to informally congregate and to build community.
 - b) Secure, indoor, flexible, recreational space for children who live in the building.
 - c) Indoor flexible common space that can be used for multi-task including community meetings, employment activities, including kitchen area for meal preparation.

UNIT ACCESS/CORRIDORS

- Provide natural light and ventilation in corridor areas and avoid long, double loaded corridors as much as possible.
- Consider separate access to public areas such as recreation rooms, and laundry facilities, from the private residential unit area.

UNIT ENTRANCE AREAS

- Unit entries should be prominent, visible, and easy to secure.
- Consider privacy, security, and changing hierarchy of space in the transition from public street or parking lot to private unit entries.
- Consider expanding side yards to allow access to individual unit entries.
- Minimize signage requirements with effective design.

UNIT MIX

- Locate large family units at building corners to take advantage of the additional exposure to exterior wall areas.

MANAGER'S UNIT AND OFFICE

- Consider a central location for the manager's unit and office, which will provide additional security for the building residents.
- Consider providing additional amenities for the manager's unit to attract the best possible manager(s) for the project to assure the long-term success of the project.
- Provide offices for property management and social service staff for PSHP projects.

UNIT SIZES AND STANDARDS

- The following room sizes are recommended;

SRO	350 sq. ft. min
Studio:	400-500 sq. ft.
1-Bedroom	500-700 sq. ft.
2-Bedroom	750 - 950 sq. ft.
3-Bedroom	1,000 – 1,200 sq. ft.
4-Bedroom	1,200 – 1,400 sq. ft.

- The minimum width of a bedroom shall be nine feet.

UNIT/ROOM ADJACENCIES

- Room adjacencies between units should be of like functions (i.e. bedrooms of one unit should be adjacent to bedrooms of the adjacent unit).
- Avoid designing bedrooms of one unit sharing a common wall with a bathroom of another unit.
- Avoid corridors and/or balconies directly above unit interiors below.
- Avoid incompatible adjacencies cause problems such as loss of privacy, noise and leakage problems, and conflict created between neighbors that management will have to deal with, and will eventually reflect in the marketability of the project.

PARTY WALL DESIGN

- Party walls are necessary to separate ownership in condominiums, or where greater isolation from noise and vibration from adjacent non-similar use is necessary.
- Typical apartment design can achieve unit separation with a double, staggered-stud wall construction of 2 x 6 plate and 2 x 4 studs.

UNIT/OPEN SPACE RELATIONSHIP

- Design private open space (e.g., patio or balcony) large enough to be used for their intended function and visible from the interior.

ELEVATORS

- All residential buildings with more than three floors of public access (Including garage) must have an elevator.
- Residential buildings housing the elderly or handicapped of two stories or more must have an elevator.

UNIT DESIGN

UNIT PLAN ROOM RELATIONSHIPS

- Provide kitchen facilities appropriate for the household size. Kitchen shall minimally include a refrigerator, range, kitchen sink, garbage disposal unit, and storage cabinets.
- Design circulation to avoid walking patterns that require passing through or across one

space to reach another.

- Minimize space devoted to circulation.
- Delineate public areas (entry, kitchen, dining, and living rooms) from private areas (bedrooms and bathrooms).
- Consider locating the kitchen near entry and avoid having the entrance corridor pass through kitchen.
- Provide distinct areas for dining and living and assure that these areas do not conflict with circulation or entries.
- Provide (at a minimum) a full bathroom, including lavatory, toilet, & tub/shower (or shower) in each unit
- Locate bathrooms in such a way that they are not visible from entry, and when the bathroom door is open, the interior of the bathroom is not visible from any public area within the unit.
- Consider separating the lavatory from the toilet/tub to allow use by more than one person at a time for bedrooms sharing bathrooms.
- Handicapped requirements must meet code.

LIGHT AND VENTILATION

- Provide operable windows in all bedrooms.
- Provide generous natural lighting and "through" ventilation, which creates a bright living environment with fresh air especially in the kitchen area.
- Consider using windows that provide greater "depth" in appearance and have greater energy efficiency.
- Vent kitchen hoods to building exterior.

STORAGE/CLOSET SPACE

- Provide coat and linen closets in addition to bedroom closet.
- Provide five foot by two foot minimum bedroom closet space per adult assuming two occupants per bedroom, and five feet per adult, and five feet per second or children's bedroom.
- Provide full base kitchen cabinets so that the undersides of sinks are not exposed.

FURNITURE LAY-OUT

- Ensure that all rooms can be reasonably furnished for the use intended.
- Consider available wall space, and/or adequate room size for furniture layout.
- Ensure that the dining area is sufficient size to accommodate additional chairs and a large table in large family units
- For PSHP projects provide fully furnished units including beds, kitchen table, with chairs, light fixtures, dressers and window coverings

FINISH MATERIALS

- Consider using materials, which facilitate the performance of routine maintenance tasks by the residents.
- Provide low maintenance, high durability materials.
- Avoid using mill finish, and pressboard cabinets.

APPLIANCES

- Stovetop ovens are required.
- Provide appliances, which do not require frequent care and maintenance.
- Locate water heater in a place that will reduce damage in case of leak or rupture.

HEATING AND AIR CONDITIONING

- Central heating and cooling systems are encouraged. Wall heaters are not allowed in new construction.
- Provide air conditioning throughout the building, in residential units, common areas, and offices, especially for PSHP projects.

REFERENCE MATERIALS

1. GOOD NEIGHBORS - "HOUSING THAT SUPPORTS STABLE COMMUNITIES"- LOS ANGELES HOUSING DEPARTMENT.
2. CITY OF LOS ANGELES "CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN" – (CPTED).
3. AFFORDABLE HOUSING INCENTIVES GUIDELINES - Implementing the Affordable Housing Incentives Program Ordinance No. 170,764.
4. RECYCLING
 - A Resource Guide to Recycled Content Construction Products
 - Construction and Demolition Waste Recycling Guide
 - Wood You Recycle?
 - Environmental Procedures Specification
 - "Recycling in LA's Multi-Family Complexes"

Part 1a

MANDATORY REQUIREMENTS

CONSTRUCTION STANDARDS

Applicants shall provide a "Statement of Intent" utilizing landscaping and construction materials that are compatible with the neighborhood in which the proposed project will be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected. Additionally, this Statement of Intent shall note that the following minimum specifications will be incorporated into the project design for all new construction projects:

- (A) Landscaping - A variety of plant and tree species that require low water use (California native plants preferred) shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs.
- (B) Roofs - Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.
- (C) Exterior doors - Insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad or hardwood faces, with a standard one-year guarantee and all six sides factory primed.
- (D) Appliances - Energy Star rated appliances, including but not limited to, refrigerators, dishwashers, and clothes washers shall be installed when such appliances are provided within Low-Income Units and/or in on-site community facilities.
- (E) Window coverings - Window coverings shall be provided and may include fire retardant drapes or blinds.
- (F) Water heater - For units with individual water heaters, minimum capacities are to be 30 gallons for one- and two-bedroom units and 40 gallons for three-bedroom units or larger.
- (G) Floor coverings - For light and medium traffic areas vinyl or linoleum shall be at least 3/32" thick; for heavy traffic areas it shall be a minimum 1/8" thick. A hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. Carpet complying with U.S. Department of Housing and Urban Development/Federal Housing Administration UMD, or alternatively, cork, bamboo, linoleum, or hardwood floors shall be provided in all other floor spaces unless this requirement is specifically waived by the General Manager.
- (H) Use of Low Volatile Organic Compound (VOC) paints and stains (Non-flat: 150 gal or less, Flat: 50 g/l or less) for all interior surfaces where paints and stains are applied.

A project proposing rehabilitation of existing structures shall be exempt from the provisions of subsections (D) and (F) above, if the existing water heaters and appliances will remain. However, if an applicant does not propose to meet the requirements of this subsection, the project's Capital Needs Assessment must show that these standards are either unnecessary or excessively expensive.

SUSTAINABLE BUILDING METHODS

Projects must incorporate Sustainable Building Methods in order to be considered for funding. To determine sustainability, we have adopted a scoring system for which all projects must receive at least 8 points relative to the sustainable building methods listed below. To receive these points, the applicant and the project architect or mechanical engineer must certify in the application, which of the items will be included in the project's design and specifications, and further must certify at the project's placed-in-service date that the items have been included and/or that the energy efficiency standard has been met or exceeded. Please note that applicants who receive funding but fail to implement the Sustainable Building Methods as certified may be adversely scored in future funding request submissions.

- A new construction or adaptive reuse project that exceeds Title 24 energy standards by at least 10%. For a rehabilitation project not subject to Title 24, that reduces energy use on a per square foot basis by 25% as calculated using a methodology approved by the California Energy Commission. **(4 points)**
- For rehabilitation projects not subject to Title 24 requirements, use of fluorescent light fixtures for at least 75% of light fixtures or comparable energy lighting for the project's total lighting (including community rooms and any common space) throughout the compliance period. **(2 points)**
- Use of Energy Star rated ceiling fans in all bedrooms and living rooms; or use of a whole house fan; or use of an economizer cycle on mechanically cooled HVAC systems. **(2 points)**
- Use of water-saving fixtures or flow restrictors in the kitchen (2gpm or less) and bathrooms (1.5 gpm or less). **(1 point)**
- Use of at least one High Efficiency Toilet (1.3 gpf) or dual-flush toilet per unit. **(2 points)**
- Use of material for all cabinets, countertops and shelving that is free of added formaldehyde or fully sealed on all six sides by laminates and/or a low-VOC primer or sealant (150 g/l or less). **(1 point)**
- Use of no-VOC interior paint (5 g/l or less). **(1 point)**
- Use of CRI Green-label, low-VOC carpeting and pad and low-VOC adhesives 25 g/l or less. **(1 point)**
- Use of bathroom fans in all bathrooms that exhaust to the outdoors and are equipped with a humidistat sensor or timer. **(2 points)**
- Use of formaldehyde-free insulation. **(1 point)**
- Use of at least one of the following recycled materials at the designated levels: a) cast-in-place concrete (20% flyash); b) carpet (25%); c) road base, fill or landscape amendments

(30%). (1 point)

- Design the project to retain, infiltrate and/or treat on-site the first one-half inch of rainfall in a 24-hour period. (1 point)
- Include in the project specifications a Construction Indoor Air Quality Management plan that requires the following: a) protection of construction materials from water damage during construction; b) capping of ducts during construction; c) cleaning of ducts upon completion of construction; and d) for rehabilitation projects, implementation of a dust control plan that prevents particulates from migrating into occupied areas. (2 points)
- Project design incorporates the principles of Universal Design in at least half of the project's units by including: accessible routes of travel to the dwelling units with accessible 34" minimum clear-opening-width entry and interior doors with lever hardware and 42" minimum width hallways; accessible full bathroom on primary floor with 30" x 60" clearance parallel to the entry to 60" wide accessible showers with grab bars, anti-scald valves and lever faucet/shower handles, and reinforcement applied to walls around toilet for future grab bar installations; accessible kitchen with 30" x 48" clearance parallel to and centered on front of all major fixtures and appliances. (1 point)
- The proposed project will contain nonsmoking buildings or sections of buildings. Nonsmoking sections must consist of at least half the units within the building, and those units must be contiguous. (1 point)

Part 2

ARCHITECTURAL FEE REIMBURSEMENTS CONDITIONS & REQUIREMENTS

ARCHITECTURAL FEE REIMBURSEMENT

These conditions and requirements apply to projects where the contractual agreement between a Developer and the Los Angeles Housing Department (LAHD) provides for reimbursement of architectural costs.

GENERAL

Regardless of the written or verbal agreement(s) the Developer has already entered into with the Architect, LAHD will reimburse the Developer for costs of architectural services incurred only under the terms and conditions as called for in the AIA DOCUMENT B181: STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT FOR HOUSING SERVICES, OR AIA DOCUMENT B141 STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT, and under the conditions as described below. Variations from these terms and conditions will not be endorsed by LAHD. These variations shall become the sole responsibility and liability of the Developer.

Article 6 - USE OF ARCHITECT'S DRAWINGS

LAHD requires the Owner (borrower) to sign an "Assignment of Architect's Contract and Plans and Specifications and Permits" document, and requires the Architect to sign a "Consent and Certificate" document prior to funding the loan. These documents consent to the assignment of all plans and permits to the City of Los Angeles. The purpose of this assignment is to allow the City of Los Angeles to complete the project in the event of default by the borrower. The LAHD Assignment and Consent documents will supersede the stipulations of Article 6.1.

Article 11 - BASIS OF COMPENSATION

11.3.3. - Compensation for Additional Services (pre-approved by LAHD) performed by consultants: upon review of the appropriate material, LAHD will authorize payment(s) for these services at a maximum multiple of 1.1 times the amount billed to the Architect for such services.

REIMBURSABLES

11.4.1 - LAHD will authorize payment(s) for reimbursable expenses at a maximum multiple of 1.10 times the amount billed to the Architect for such services, and upon review of the appropriate back-up documentation. For those reimbursable expenses that require authorization in advance from the Developer (see Article 10.2 of the AIA Document B 181, or B141), LAHD will authorize payment(s) only for those expenses where the Developer has secured a pre-approval in writing from LAHD.

11.5: ADDITIONAL PROVISIONS

11.5.1 - Due to federal guidelines, LAHD is unable to reimburse interest on late or unpaid invoices.

PLEASE NOTE:

All architectural invoices must be submitted by the Developer and accompanied by a letter requesting reimbursement for architectural fee expense.

ARCHITECTURAL FEE GUIDELINES

The following schedule represents the maximum amount LAHD would typically allow for architectural work. This schedule is intended as a guide only. All architectural fees will be reviewed on a case-by-case basis taking into account the size, of the project, the scope of work, the experience of the architect, and any other factors, which might be pertinent.

Cost of Work (AIA- Ref.B141 Sect. 1.3-1997)	LAHD Max Architectural Fee Allowance (% of Cost)
0-\$250,000	10%
\$250,001 - \$500,000	9%
\$500,001 - \$1,000,000	8%
\$1,000,001 - \$2,500,000	7%
\$2,500,001 - \$5,000,000	6%
\$5,000,001 and above	5%

Insurance Requirement

For all LAHD financed projects which request reimbursement of architectural fee expenses, architects must submit proof of General and/or Professional Liability Insurance.

All projects require a minimum of \$250,000 coverage for General Liability Insurance. The amount of coverage should increase for projects of a larger size. All new construction or rehabilitation with structural improvements requires Professional Liability (Errors & Omissions) Insurance. Proof of insurance must be submitted to LAHD.

Architectural Payment

In order for LAHD to consider a proposed design and/or approve payment to the architect for the completion of drawings, the following drawings and documentation shall be submitted for review:

- Letter from the developer requesting payment for Architectural fee expense
- Detailed invoice of the services performed and letter from the architect stating the phase and level of completion of the plan set being submitted, and amount of payment requested.
- See Conceptual, Schematic Review, and/or Construction Reviews listed in Part 3.

For questions regarding this matter, please call Alfred Muhammad @ (213) 808 8622.

Part 3

SUBMITTAL REQUIREMENTS FOR ARCHITECTURAL DESIGN REVIEW

The items listed below are required in order for LAHD to review and approve the design of a project and/or approve architectural payment requests.

These requirements apply to any architectural submittal or architectural payment requests, except those, which have been already approved as of this date. This list includes:

- Submittal for **CONCEPTUAL PHASE.**
- Submittal for **SCHEMATIC PHASE.**
- Submittal for **CONSTRUCTION DOCUMENTS PHASE.**

PLEASE NOTE THAT A SUBMITTAL IS NOT REQUIRED FOR DESIGN DEVELOPMENT REVIEW, HOWEVER EVIDENCE OF WORK MUST BE PRESENTED FOR PAYMENT.

CONCEPTUAL REVIEW

In order for LAHD to review and consider the architectural and planning concept of a proposed project, except for "cosmetic rehabilitation projects" or rehabilitation projects that do not involve structural changes or reconfiguration of existing units*, the following drawings and documentation shall be submitted:

- Site plan (1/16" scale minimum)
 - Include lot dimensions and north arrow
- Floor plan(s) (1/8" scale minimum)
 - Include landscape concept
- Typical unit plan(s) (1/4" scale minimum) showing:
 - Square footage of unit(s)
 - Interior dimensions of all livable spaces
 - Furniture layout
- Major elevations and sections (1/8" scale minimum)
 - Include landscape concept
- Building program, or narrative description of the project
 - Include the needs of owners and end-users and how the proposed design facilitate these needs
 - A description of the site including but not limited to:
 - Surrounding use
 - Prevailing setbacks
 - Traffic patterns (if applicable)
 - Neighborhood amenities
 - Availability of public transportation
- Construction Cost Estimate, signed and dated

PLEASE NOTE:

1. All drawings shall be titled, and dated
2. Appropriate scale shall be indicated
3. Major dimensions shall be indicated
4. Provide two sets of FULL SIZE (24"x 36" minimum) drawings for review

* For "cosmetic rehabilitation projects" applicants are required to minimally submit 1) A "Property Needs Assessment" report or engineering inspection report, and 2) A "Schedule of Values" for the proposed work.

S SCHEMATIC REVIEW

ARCHITECTURAL DOCUMENTS PACKAGE

1. Title sheet including:
 - a. An index of all drawings submitted
 - b. A project description including but not limited to:
 - i. Construction and occupancy type
 - ii. Lot coverage, floor area ratio, and density
 - iii. Unit breakdown - unit mix
 - iv. Building zoning code analysis
 - v. Setbacks, variances
 - vi. Parking requirements
2. A vicinity map
3. Site survey

4. Site plan (1/16" scale minimum)
5. Floor plans (1/8" scale minimum)
6. Typical unit plans (1/4" scale minimum), showing:
 - i. Square footage of units
 - ii. Interior dimensions of all livable spaces
 - iii. Furniture lay-out
7. All exterior elevations (1/8" scale minimum)
8. At least two major sections (1/8" minimum)
9. Floor plan(s) of major project amenities
 - i. Community room,/recreation room, etc.
10. Construction Cost Estimate, signed and dated

PLEASE NOTE:

- i. All drawings shall be titled and dated
- ii. Appropriate scale shall be indicated
- iii. Major dimensions shall be indicated
- iv. A rendering and/or a rendered elevation is encouraged, especially for larger projects

The amount of payment will be based on the level of Completion as determined during the Architectural Review.

DESIGN DEVELOPMENT

(Not required for architectural review, however evidence of work must be submitted for reimbursement of architectural fees)

CONSTRUCTION DOCUMENT REVIEW

ARCHITECTURAL DOCUMENTS PACKAGE

1. Title sheet(s) including:
 - An index of all of the drawings submitted
 - Project description, data, requirements, and general notes
 - Vicinity map
 - The names, addresses, and phone numbers of all the consulting firms for the project.
2. Site survey.

3. Architectural drawings fully developed, coordinated & fully dimensioned including:

- Site plan.
 - Demolition plan (if needed).
 - Foundation plans and details
 - Floor plan(s) for each level.
 - Roof plan.
 - Typical unit plans (drawn at a larger scale than floor plans).
 - Floor plans of any other major project amenities (1/4" scale minimum).
 - All exterior elevations.
 - Interior elevations (kitchen and bathrooms).
 - Sections and details.
4. Any other drawings or schedules necessary to implement and facilitate construction of the project
5. Fully developed coordinated plans from consulting firms Including:
- Structural.
 - Mechanical.
 - Plumbing.
 - Electrical.
 - Landscape.
 - Irrigations.
 - Grading & drainage.
 - Civil plans, etc.
6. A set of specifications fully developed specifications.
7. Detail construction cost estimate OR construction bids dated and signed

PLEASE NOTE:

- All drawings shall be titled and appropriate scale indicated
- Each sheet shall be numbered, dimensioned, dated and the appropriate consulting firm logo included
- All drawings shall be coordinated with each other

Part 4

ASSIGNMENT OF ARCHITECT'S CONTRACT PLANS SPECIFICATIONS AND PERMITS (With Architect's Consent and Certificate)

Sample form

**ASSIGNMENT OF ARCHITECT'S CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect's Consent and Certificate)**

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged _____, a California _____ (the "Borrower"), as security for the obligations incurred and to be incurred by Borrower pursuant to the Loan Agreement of _____, 2006 (the "Loan Agreement") between Borrower and the City of Los Angeles, a municipal corporation ("City"), relating to the financing of acquisition, predevelopment, construction and permanent expenses on certain real property located in the City of Los Angeles, County of Los Angeles, California (the "Site"), as described in the Loan Agreement, hereby assigns and transfers to the City of Los Angeles ("City"), its successors and assigns, all of (1) Borrower's rights in and to those certain Plans and Specifications together with all amendments, modifications, supplements, general conditions and addenda thereto relating to the Site, prepared pursuant to the Loan Agreement (the "Plans") by _____ ("Architect"), (2) Borrower's right, title and interest in that certain agreement dated _____, _____, between Borrower and Architect, a true and complete copy of which is attached hereto and incorporated herein by reference as Exhibit (the "Contract"), and (3) all permits to be obtained by or for the benefit of Borrower relating to the Plans or the Project ("Permits"). Architect consents to this Assignment, and has executed the Consent and Certificate attached hereto as Exhibit # and incorporated herein by this reference.

Neither this Assignment nor any action or actions on the part of the City shall constitute an assumption by the City of any of Borrower's obligations under the Contract unless and until the City shall have given written notice to Architect of its election to complete construction of the Project following a default by Borrower under the Loan Agreement. Borrower shall continue to be liable for all obligations under the Contract and Borrower hereby agrees to perform each and all such obligations. In the event of a default under the Loan Agreement, the City may elect to reassign its rights to the Plans, the Permits and the specifications under the Contract to any person or entity selected by the City to complete the Project. Such person or entity shall succeed to all of the rights of Borrower thereunder without the necessity of any consent from Borrower or Architect and the City shall have no liability for any failure of such person or entity to perform the obligations under the Contract. Provided, however, that in the event the City reassigns its rights to the Plans to another person or entity, the Architect's name shall not be used in connection therewith unless the Architect so approves in writing.

Borrower hereby represents and warrants to the City that (1) the Contract is in full force and effect with no defaults thereunder by either Borrower or Architect, (2) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, and (3) Borrower has made no previous assignment of, and granted no security interest in, its rights to the Plans, the Permits or the specifications under the Contract. Borrower agrees that (a) it will not assign, transfer or encumber its rights to the Plans, the Permits or under the Contract so long as any obligation under the Loan Agreement remains unsatisfied, (b) it will not agree to any amendment of the Contract without the prior written consent of the City, (c) it will not terminate the Contract or accept a surrender thereof, or waive, excuse, condone or in any manner release or discharge Architect of or from the obligations and agreements by Architect to be performed thereunder, in the manner and at the place and time specified therein without the prior written consent of the City, and (d) it will indemnify the City against any liabilities, losses, costs and expenses, including reasonable attorneys' fees, which may be incurred by the City as a result of the exercise of its rights under this Assignment.

The City shall have the right at any time (but shall have no obligation) to take in its name or in the name of Borrower or otherwise such action as the City may at the time or from time to time determine to be necessary to cure

any default under the Contract, to protect the rights of Borrower or the City thereunder, or enforce all rights of Borrower under the Contract, Borrower hereby irrevocably constitutes and appoints the City its true and lawful attorney in Borrower's name or in the City's name or otherwise to take all such action. The exercise of the City's rights hereunder shall not constitute a waiver of any of the remedies of the City under the Loan Agreement or any other document or agreement or otherwise existing at law or otherwise.

Executed this _____ day of _____, 200_

A California _____

By: _____
A California _____
Its: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**ASSIGNMENT OF ARCHITECT'S CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect's Consent and Certificate)
(_____ PROJECT)**

CONSENT AND CERTIFICATE

Pursuant to that certain assignment of Architect's Contract and Plans and Specifications and Permits (the "Assignment") executed by _____, a California _____ ("Borrower") on _____, _____, the undersigned, as Architect, hereby consents to the assignment by Borrower of the Plans (all defined terms herein shall have the meaning defined in the Assignment), the Permits and the Contract to the City of Los Angeles, a municipal corporation and charter city ("the City"), and to each and all of the terms and conditions of such attached assignment and confirms to the City that (a) the Contract constitutes the entire agreement between the undersigned and Borrower relating to the Project, (b) the Contract is in full force and effect with no defaults thereunder, (c) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, (d) no material modification shall be made in the Contract without the prior written consent of the City, (e) the undersigned agrees to be bound by the provisions of the Loan Agreement restricting the ability of Borrower to make changes in the Plans without the prior written consent of the City, (f) the undersigned is not aware of any prior assignment of the Plans, the Permits or the Contract by Borrower, and (g) a complete copy of the Plans and all Permits will be delivered to the City. The undersigned agrees that in the event of any default by Borrower under the Contract, the undersigned will give written notice to the City thereof and the City shall have the right, but not the obligation, to cure said default within sixty (60) days from the City's receipt of such notice.

The undersigned further agrees that in the event the City becomes the owner of the Project, or undertakes to complete construction thereof, or assigns its rights to the Plans, the Permits and the specifications under the Contract to another person or entity, or otherwise requires the use of the Plans, the Permits and the specifications, the City, its successors and assigns are authorized to use the Plans, the Permits and the specifications without additional cost or expense beyond that stated in the Contract, all rights under the Contract otherwise exercisable by Borrower may be exercised by the City or such successor or assign, and the undersigned will perform its obligations in conformity with the Contract for the benefit of the City, its successors or assigns.

In order to induce the City to enter into the Loan Agreement and make the advances contemplated therein, the undersigned certifies to the City as follows:

- (a) As represented in the Plans, the Development will comply with (1) all statutes, rules, regulations and ordinances of all governmental agencies having jurisdiction over the Project, including, without limitation, those relating to zoning, building, pollution control and energy use; (2) all applicable covenants, conditions and restrictions affecting the Site and the Project, and (3) the requirements of the appropriate board of fire underwriters.
- (b) Construction of the Project in accordance with the Plans will not result in any encroachment on any adjoining property or on any surface easement.
- (c) The Plans will include (1) any recommendations contained in any soil or other geological test performed on the Site, and (2) parking for cars sufficient to meet the requirements of all applicable statutes, rules, regulations, ordinances, tract map conditions and leases.
- (d) The undersigned is duly licensed to conduct its business in the jurisdiction where its services are to be performed and will maintain such license in full force and effect throughout the term of the Contract.

The City shall have the right at any time to use all plans, specifications and drawings from the Project

prepared by or for the undersigned for the Project, including, without limitation, the Plans, and the ideas, designs and concepts contained therein, without payment of any additional fees or charges to the undersigned for such use.

The undersigned hereby assigns to the City all of the undersigned's right, title and interest in, to and under all subcontracts which are now or hereafter entered into by the undersigned in furtherance of its obligations under the Contract; provided, however, that until a default occurs by the undersigned under the Contract, the City shall not exercise any rights in the subcontracts which are hereby assigned.

The undersigned acknowledges that the City is relying on, among other things, the Consent, confirmations, agreements and assurances provided herein in entering into the Loan Agreement and agreeing to advance funds thereunder to Borrower for construction of the Project.

DATED: _____, 200_

ARCHITECT:

By: _____

Title: _____

EXHIBIT 3



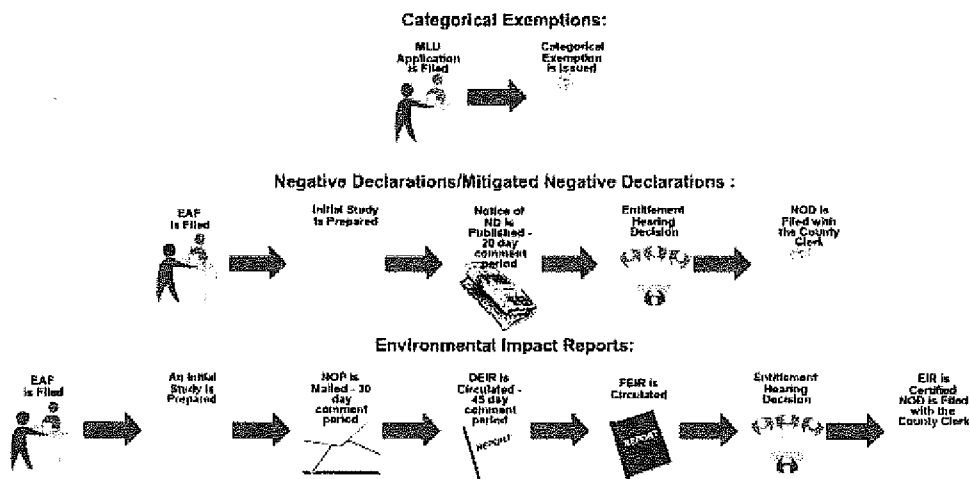
City of Los Angeles Department of City Planning

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California Environmental Quality Act (CEQA) Process

There are three Types of CEQA documents prepared by the Los Angeles Department of City Planning:
 - Categorical Exemptions (CE) - Negative Declarations (ND) - Environmental Impact Reports (EIR).



LEGEND

MLU: Master Land Use • EAF: Environmental Assessment Form • NOD: Notice of Determination •
 NOP: Notice of Preparation • DEIR: Draft Environmental Impact Report • FEIR: Final Environmental Impact Report

- 1 See the City of Los Angeles California Environmental Quality Act Guidelines for a list of projects that are Categorically Exempt.
- 2 Notices are published in the Los Angeles Times on Thursdays.
- 3 Public Scoping Meetings will be held during the NOP comment period for Regionally Significant EIRs.
- 4 All CEQA challenges must be filed within thirty days of the NOD being filed with the County Clerk.





MAJOR PROJECTS
Los Angeles Housing Department
LAHD

1200 W. 7th Street, 8th Fl., Los Angeles, CA 90017
tel 213.808.8936 | fax 213.808.8918
www.lacity.org/lahd



Antonio R. Villaraigosa, Mayor
Mercedes Márquez, General Manager

Exhibit 4

**LOS ANGELES HOUSING DEPARTMENT (LAHD) &
LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP)
“SUSTAINABLE BUILDING INCENTIVE PROGRAM”**

TO WHOM IT MAY CONCERN

In January of 2004, the Mayor and City Council approved an agreement between the Los Angeles Department of Water and Power (LADWP) and the Los Angeles Housing Department (LAHD), to provide funding for affordable housing developments. These funds are provided in the form of a loan to encourage the development of affordable multifamily housing units and promote energy efficiency. Projects that are approved for funding under the Affordable Housing Trust Fund (AHTF) high leverage program are eligible for funding.

Interested applicants are required to submit a cover letter requesting “energy efficiency funds.” All requests should describe the proposed sustainable component/s that qualify for funding, including but not limited to the cost of labor, materials and equipment. Additionally, applicants should provide a complete set of architectural drawings (including mechanical, electrical and plumbing) and Title 24 calculations. These documents will be reviewed jointly, by LAHD and LADWP, to determine eligibility.

Qualifying Criteria

1. **New Construction** projects must exceed Title 24 requirements by a minimum of 10%. A minimum of the 10% must be related to implementing electrical energy efficiency measures.
2. **Existing Construction** (Rehab. projects) must be 25% or more efficient. (A minimum of 50% of the 25% must be related to implementing electrical energy efficiency measures.)
3. Projects must implement water conservation measures including drought tolerant landscaping.
4. Developer must install a dedicated conduit (2 inches in diameter) from the telecommunications room to LADWP electric service points or any other mutually agreed upon location as feasible (see enclosed specs).

Funding

1. LADWP and LAHD will determine the funding priority order for all projects in accordance with respect to the established guidelines.
2. The maximum funding allowed for each project is \$200,000. Projects that qualify for less will receive less. Applicants are required to identify the cost of "energy efficiency" components (See sample shown).
3. Loan Terms and Conditions (Same as AHTF)
4. AHTF loan documents will be amended to include conditions of LAHD/LADWP sustainable building incentive program.
5. Projects that receive funding from LADWP Economic Development Program are not eligible to apply for any other standard rebates, loans, or grants offered by LADWP.

Additional Conditions

1. LADWP shall have the right to conduct follow-up inspections and verification of the funded design measures for each development project.
2. At project completion, the project's architect or mechanical engineer shall be required to certify that the building complies with the proposed energy efficient measures as indicated in the Title 24 calculation, or initial certification.
3. Applicant is required to procure a performance bond in the same manner as required by the LAHD to cover the installation of sustainable design measures used to qualify for funding from LADWP.

All requested and applicable documents must be submitted as soon as possible. If you have any questions or need assistance, please do not hesitate to contact Alfred Muhammad at (213) 808-8622.

Enclosed:

- Sample of Cost Estimate/Building components
- Specifications for LADWP dedicated conduit
- LADWP Affordable Housing Energy Efficiency Checklist

COST ESTIMATE-"SAMPLE"

SUSTAINABLE BUILDING CONSTRUCTION (Related to Energy Efficiency & Water Conservation)		
Project:		ABC Senior Apts. 123 W. Sunset L.A., CA
No of Units:	64	Contact Person:
Estimated Const. Cost:	\$4,000,000	Tel:
CSI Division	Building Component	Cost
7-Thermal Moisture & Protection	Insulation	\$ 34,971
8- Doors & Windows	Windows	\$ 67,800
11-Equipment	Refrigerators	\$ 26,880
	Electric Range	\$ 28,880
	Applian	\$ 70,720
	Bl	\$ 7,945
12-Furnishings	Water pump system	\$ 160,000
15-Mechanical	Water tag tank	\$ 40,000
	Water C. em	\$ 49,085
	Solar PV system	\$ 78,500
	Lighting fixtures	\$ 52,891
16-Electrical	Lights-common area	\$ 12,271
	Lights-Landscaping	\$ 6,331
Subtotal		\$ 636,274.00
REQUESTED AMOUNT =		\$ (COMPLETE)

SPECIFICATION FOR 2" CONDUIT

A

The following requirements should be followed for an **underground fiber optic service** entry from a DWP substructure in the street or a dip-pole (distribution pole with conduit riser) to the telecommunications room of your typical 50 to 200 unit multi-residential complex.

1. Conduit type should be DB120 (minimum 2" diameter, see note 3).
2. All underground vertical or horizontal segments should be galvanized steel conduit.
3. 90 degree sweeps should be:
 - a. 2" conduit - 3' sweep minimum.
 - b. 3" conduit - 3' sweep minimum.
 - c. 4" conduit - 4' sweep minimum.
4. Conduit should be placed at a 2' minimum depth to the top of the conduit.
5. Conduit should be encased in concrete (3" minimum envelope).
6. On conduit runs exceeding 500' an intermediate hand hole should be placed for ease of cable installation.
7. Conduit should enter telecommunications room (see note 2) in an area where there is space for a 7'H x 19"W communications rack or a 2' x 2' wall mounted patch panel.
8. The conduit should terminate flush with the floor in a threaded steel coupling (with a plug).
9. In situations where the fiber optic cable enters the electrical room first, a minimum 2" EMT conduit should be provided from the electrical room to the telecommunications room.

- Note. Conduit penetration into the DWP substructure to be performed by DWP personnel only. DWP should have prior access agreement to have a presence in the telecommunications room. In lieu of an access agreement, the conduit should terminate in the electrical equipment room (where the revenue meters are located) with space allocated for a wall mounted junction box (2' x 2' x 6"). It is recommended that a 4" diameter conduit be used for ease of installation and for any future expansion. The cost difference for the increased conduit size is minimal.

B

The following requirements should be followed for **overhead service drops** of fiber optic cable.

1. DWP personnel will perform the installation on all overhead fiber optic cable service entries.
2. Typical overhead service entry installations would include 1.25" figure 8 inner-duct and 48 or 96 fiber cable.
3. Building attachment hardware to secure the service drop should be provided and installed by the building owner. The hardware type and location for installation should be coordinated with Fiber Optic Enterprise Engineering during building construction for new facilities and during job planning for rehabs or existing buildings.
4. A 12" x 12" x 8" NEMA 3R junction box should be installed by the building owner on the exterior of the building in close proximity to the building attachment hardware with a minimum of 2" EMT conduit from the junction box to the patch panel location (Electrical Room or Telecommunications Room). Care should be taken on placement of conduit entries into junction boxes that cable bends will not smaller than a 6" radius.
5. All other specifications for building interior to match what has been outlined in the underground specifications listed above.

Contact
Persons: *Imudiase Aimiuwu*
Department of Water & Power (LADWP)
111 N. Hope Street, Rm 1540,
Los Angeles, CA 90012.
Tel. Tel: (213) 367 1418
e-mail : Imudiase.Aimiuwu@ladwp.com

Alfred Muhammad
Los Angeles Housing Department (LAHD)
1200 W. 7th Street,
Los Angeles, CA 90012.
Tel. Tel: (213) 808 8622
e-mail: amuhammad@lahd.lacity.org

LADWP AFFORDABLE HOUSING ENERGY EFFICIENCY CHECKLIST

ELECTRICAL SYSTEMS

Electrical equipment

- High efficiency transformers and motors

Lighting

- New Generation T8 fluorescent lamps with electronic ballasts
- Compact Fluorescent Lamps (CFL)
- LED exit signs
- Integrate day lighting and electric lighting in task-oriented spaces, and gathering spaces
- Lay out lighting control zones to supplement daylight variation throughout the day and coordinate with HVAC zones and controls
- Lay out lighting control zones that allow photo sensors to be effectively located and keep manually switched areas small
- Use light color for reflective surfaces, preferably white

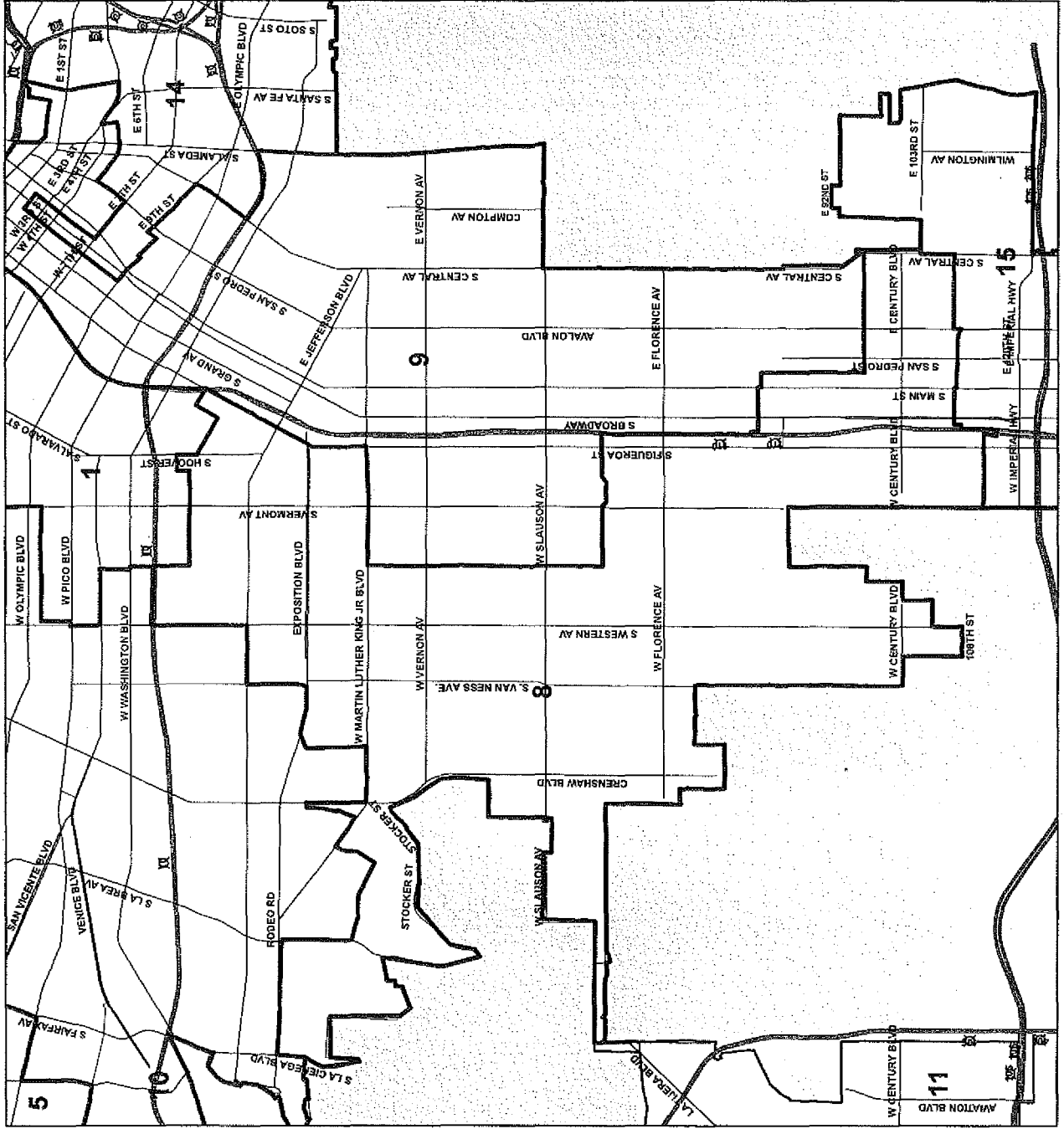
HEATING AND VENTILATION AND AIR CONDITIONING

- Select at least 12 SEER efficiency heating and cooling equipment rating to reduce energy consumption and demand
- Check for proper equipment sizing
- Check for proper sealing to minimize air leakage

APPLIANCES

- Specify and select Energy Star appliances that incorporate advanced technologies to use 10-50% less energy and water than standard models
 - Energy Star website can be visited at www.energystar.gov for information on selection, and manufacturers

South Los Angeles



Legend

- Streets
- Freeways
- South Los Angeles Boundaries
- City of Los Angeles



Los Angeles Housing Department
LAHD

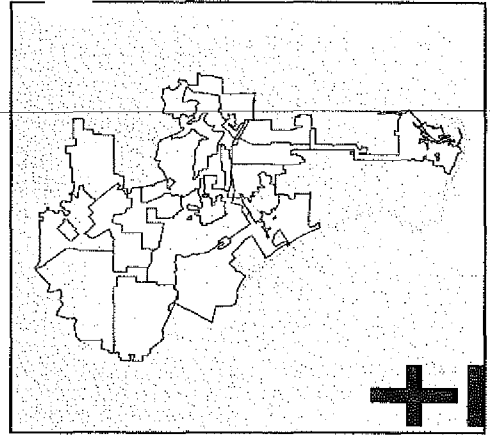


Exhibit 6

LOS ANGELES HOUSING DEPARTMENT
LEAD-BASED PAINT HAZARD REMEDIATION
INCENTIVE PROGRAM

Program Description

The Los Angeles Housing Department (LAHD) Lead-Based Paint Hazard Remediation Incentive Program (LHRP) operates pursuant to Title X of the Housing and Community Development Act of 1992, Section 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992. The LHRP provides funding, in the form of grants to promote HUD's affordable housing goals to remediate lead hazards in properties either occupied or destined to be occupied by low to moderate-income families. Multi-family housing projects that are approved for funding under the Affordable Housing Trust Fund (AHTF) high leverage program may be eligible for lead grants.

The LHRP undertakes lead hazard remediation activities to prevent families from being exposed to dangerous levels of lead-based paint, lead contaminated-soil or lead-contaminated dust. The LHRP typically operates independently of other divisions and removes, replaces or remediates lead hazards in and about the properties that is attributable to lead-based paint. However, when the LHRP operates with LAHD's rehabilitation loan programs, its funds are typically used to remove components containing lead-based paint, such as windows and doors, as well as to remediate surfaces with deteriorating lead-based paint while rehabilitation loan funds are used to replace the removed components.

Interested applicants are required to submit a cover letter requesting funds for lead-based paint hazard remediation & control to LAHD's Lead-Based Paint Unit located on the 9th Floor. **(Contact: Liseth Romero-Martinez @ (213) 808-8828 for additional information).** Include the amount of funds requested and the purpose for such funds. Additionally, applicants should provide a complete combination lead-based Paint Inspection and Risk Assessment testing report consistent with HUD's Guidelines For the Evaluation and Control of Lead-Based Paint Hazards in Housing (HUD Guidelines). LAHD staff will review these documents to determine the eligibility of the project for inclusion in the LHRP and feasibility of the costs.

Funding

1. LAHD will determine the funding priority order for all projects in accordance with the High Leverage Program guidelines and subject to the Mayor and City Council's approval.
2. The maximum funding allowed for each project is \$4,500/unit, not to exceed \$225,000 per project. Projects that qualify for less will receive less. Applicants are required to identify the cost of "lead based paint hazard remediation" for each component and shall provide the specifications and budget for review.

Eligibility Activities

1. Multi-family housing developments approved for funding under the AHTF.
2. Existing Rehabilitation-LAHD will provide funding for lead-based paint hazard remediation of **existing rehabilitation projects**.
3. Rehab activities of Single Room Occupancies (SRO's), zero-bedroom dwellings and efficiencies only to convert them to non-zero bedroom units
4. Removal of non-intact lead-based paint from surfaces or components of existing buildings undergoing demolition in preparation for development.

Ineligible Activities

1. Projects that do not receive funding under the AHTF.
2. Senior-only Housing Projects.
3. Housing exclusively for the Handicapped.
4. Rehab activities of Single Room Occupancies (SRO's), zero-bedroom dwellings and efficiencies.
5. Properties where all lead-based paint has been removed.
6. Cost for inspection, testing & developing specifications (soft-cost).
7. Housing constructed after January 1, 1978.

Additional Conditions

1. LAHD shall have the right to conduct follow-up inspections and verification of the funded design measures.
2. The developer shall be responsible for inspections, testing, work write-ups, monitoring and clearances; and shall provide all such reports to LAHD upon request. All work shall be performed in accordance with the governing regulations identified above and any and all applicable local, state or federal regulations in effect at the time of remediation.
3. At project completion, the project's architect or qualified industrial hygienist, shall be required to certify that the building complies the governing regulations.
4. Projects assisted with LHRP grants will be listed in a Lead-Safe Housing Registry and must market the units to families with children under six years old.

**AFFORDABLE HOUSING TRUST FUND
and
PERMANENT SUPPORTIVE HOUSING PROGRAM**

SUMMARY OF ACTIVITY – 2003-2009

AHTF AND PSHP COMBINED TOTAL					
Projects	Units	Amount Committed*	Amount Leveraged*	Total Dev. Cost	Leverage Ratio (dollars)
136	8,000	\$458,106,263	\$ 1,798,405,871	\$ 2,256,150,134	\$3.93

AFFORDABLE HOUSING TRUST FUND (AHTF)					
Projects	Units	Amount Committed	Amount Leveraged*	Total Development Cost	Leverage Ratio (dollars)
Total:	122	7,077	\$386,602,060	\$ 1,553,978,081	\$4.02

PERMANENT SUPPORTIVE HOUSING PROGRAM (PSHP)								
Projects	Total Units	PBV Units	PBV Value	Capital Committed	Total Commitment (Capital & PBV)	Total Dev. Cost	Amount Leveraged*	Leverage Ratio (dollars)
Total:	14	923	751	\$ 82,905,910	\$ 71,504,203	\$315,569,993	\$244,427,790	\$3.42

11/12/09

* Total Amounts Leveraged are only for Capital Funds. The PBV indirectly leverages social services funds that are secured as the project is constructed.