March 24, 2020

Gentlemen/Ladies:

SUBJECT: ADDENDUM NO. 2 TO PROJECT BASED VOUCHER NOTICE OF FUNDING AVAILABILITY ("PBV NOFA") No. HA-2020-28 (2020 Round 1)

This letter serves as Addendum No. 2 to the subject PBV NOFA and is made a part of that solicitation.

Q1: The NOFA mentions some priority for projects leveraging tax credits and HCD (state) funding and HHH. If we are only leveraging HHH and not the other sources, are we just as competitive? Or are we losing points for this?

A1: Projects are not required to have a particular funding source. Applications do not lose points if the project does not have a particular funding source.

Q2: Is there a preference for a certain number of units per project? If so, how many? We had heard 50+ units preference. Can we combine scattered site projects into one application to hit higher unit count if higher unit count is preferred?

A2: There is not a preference for a certain number of units per project.

Q3: If awarded PBVs, will County Department commit to providing funding for the ICMS? Our assumption is that we would contract with a County-approved ICMS provider, and that County Departments will directly pay them, same as FHSP. Please advise if that is an incorrect assumption.

A3: The Los Angeles County Health Departments will provide integrated supportive services, including ICMS, to projects awarded PBVs through this NOFA.

Q4: The NOFA prioritizes projects with the deepest subsidy no greater than 50% AMI. Will developers be required to record covenants below 50% AMI (e.g. 30% AMI) if units are being rented to those lower levels? If so this could have adverse effects on getting debt placed to pencil the projects.

A4: All projects must provide units at 50% AMI. In addition, 75% of units receiving Project Based Vouchers must be reserved for persons at 30% AMI or lower.

Q5: Does Section M.5. mean that we can only use PBVs in 25% of a building's units? Or are PSH tenants considered qualified/exempted?
A5: Because all PBVs awarded through this NOFA must be used to house homeless and chronically homeless households that are eligible to receive supportive services, they are considered “Excepted” units.

Q6: Regarding construction completion dates, confirming that all projects that receive PBVs must be placed in service within 2 years of the effective date of the AHAP?

A6: HACLA may approve a waiver request for an extension if the time of construction will exceed two years.

Q7: When and how will details be shared regarding the form of the submittal? For example: word length, page length, file format, narratives, list of required exhibits, etc. Page 25 of the NOFA directs applicants to https://hcidapp.lacity.org/NOFA/Home.aspx but there is no information there currently.

A7: All exhibits/attachments have been available since the release of the NOVA from the HCID website. Please follow instructions as they pertain to each exhibit/attachment.

Q8: Regarding the Section 3 Attachments, do all consultants need to submit Section 3 EOP forms or should only the Prime Developer do this? During the last NOFA, Addendum 2 stated that only the Prime Developer should do this.

A8: Only the Prime Developer should submit Section 3 Forms in response to the NOFA.

Q9: For Attachment L, Diversity Outreach Requirements, can you please advise on how this form should be filled out if the General Contractor will be required to comply with all 5 outreach requirements, but a General Contractor has not yet been selected and the project has not yet been bid? Can we put together an outreach plan that the GC will follow? Will we still receive points in this category for this approach?

A9: The Diversity Outreach Requirements apply for outreach to procure a general contractor, as well as consultants and other services in the pre-construction phase. If you have not procured a general contractor yet, provide responses based on outreach you have conducted for pre-development work.

If and when awarded, the general contractor has to comply with the outreach and other requirements in regards to MBE/WBE and Section 3.

Q10: Can you please clarify what is required for the budget in the property management plan? Typically our property management plan would not have a budget, as the property would be operating according to the operating budget. If we include the project’s operating budget as an exhibit to the property management plan, can you please confirm this is acceptable to meet this requirement?

A10: Yes, this is acceptable.

Q11: Does a family with a member who is mentally/physically handicapped fall within the guidelines for the grant or does the primary tenant have to be mentally/physically handicapped?

A11: To be eligible for a PBV unit a family must qualify as homeless or chronically homeless. The primary tenant does not have to be mentally/physically disabled.

Q12: Can a developer qualify for experience points based on a principal’s projects from another organization?
A12: No, experience pertains to the projects developed by the Development Entity, and not the experience of an individual associated with the applicant.

Q13: Can applicants submit multiple proposals?

A13: Yes, applicants are able to submit multiple proposals.

Q14: When do you anticipate making awards under the latest NOFA?

A14: June 2020

Q15: To what extent must the unit be furnished? Please define.

A15: At a minimum, furnishings should include a bed, table and chairs, refrigerator, and oven or stove.

Q16: Who is to conduct the environmental review and subsidy layering review? and does this need to be completed by/before the April 9th deadline?

A16: HCID-LA is the Responsible Entity for the City of Los Angeles and they conduct the environmental reviews. The California Tax Credit Allocation Committee (CTCAC) conducts subsidy layering reviews on behalf of HUD. Per HUD regulations, these reviews must be completed prior to the execution of the AHAP contract. They do not need to be completed prior to the April 9th NOFA submission deadline. The owner/developer is responsible for any costs associated with these reviews.

Q17: How detailed would you like us to express our developments compliance with designated regulations?

A17: This information should be included in the responses to the questions in Attachment I, PBV Threshold Questionnaire. The environmental review and subsidy layering review are conducted after PBVs are committed but prior to the execution of the AHAP Contract.

Q18: Can you specify what is 24 CFR 983.151(C)? We’ve tried looking it up and have been unable to locate the specific code.

A18: The CFR reference has changed to 24 CFR 983.152(d).

A19: Are there any additional requirements for filling non-PSH units for developments that have PSH and non-PSH/Affordable units? Aside from what is detailed in our PMP?

A19: HACLA does not have requirements for non-contract units.

Q20: What sections fall under the ‘Project Feasibility’ scoring criteria? What would you suggest we do to strengthen our project feasibility score? We currently only have a HHH commitments and will be applying for NPLH in the summer.

A20: Project feasibility is primarily the status of project funding commitments and project readiness. Questions 8 through 10 in the online application directly address these areas.

Q21: What is the timeline for the subsidy layering review we should build into our construction timeline? Is it shortened if we have only HHH funding and private funding in the capital stack, with no other federal sources?
A21: The documents for the subsidy layering review (SLR) should be submitted to HACLA at the time of the projects submission for tax credits or bonds, and all other funding has been committed. The SLR documents can also be submitted with the CTCAC application. Generally, the SLR takes from two to three months. The timeline is dependent on submission of complete and accurate information.

Q22: Is there an alternative to submitting audited financials for newer entities which did not have them. What should we do in that situation?

A22: Please refer to Exhibit Y with the new instructions

Q23: In the development timeline form, all the months are listed as "N/A". Does HACLA only want the year for each point, or should we indicate the month somehow?

A23: Please include the month and year.

Q24: Please confirm that an adaptive reuse development on a site where no housing units currently exist is to be considered new construction for the purpose of the application, including responses to the PBV threshold questionnaire and HACLA site selection criteria.

A24: Adaptive reuse refers to the process of reusing an existing building for a purpose other than which it was originally built or designed. Therefore, they would be considered rehabilitation.

Q25: Can you please confirm if you will need 2019 financials? We won’t have audited 2019 financials until late May. We can provide audited financials for 2016, 2017, and 2018 but not audited for 2019.

A25: Yes

Q26: Can you submit electronically signed documents?

A26: Yes, all exhibits/attachments must be uploaded to HCID website.

Sincerely,

Marlene Garza
Chief Administrative Officer

ACKNOWLEDGEMENT:

I have received and reviewed Addendum No. 2 to PBV NOFA RFP HA-2020-28 (2020 Round 1):
Proposer: 

Signature: ____________________________ Date: ________

Please include this signed Acknowledgement in your Submittal.