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<tr>
<td>1</td>
<td>Application</td>
<td>Please confirm if the deadline for applications will be extended, given the rescheduled date of the bidders conference.</td>
<td>2016 Call For Projects (CFP) application submission deadline has been extended to November 1, 2016.</td>
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<td>Per the verbal comments at this week’s meeting, EAH concurs with the vast majority of developers in the room and would like to request HCIDLA extend the deadline for the AHTF application. Additionally, we request that for applications intending to leverage funds from AHSC, we be permitted an alternative to submitting a complete leveraging application.</td>
<td>See answers above and below.</td>
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<td>3</td>
<td>1.10.10</td>
<td>Related Party management fees are allowed up to $25,000. What is the definition of this fee and how do they need to be substantiated?</td>
<td>Related party fees include partnership management fee, investor service fee, asset management fee, annual partnership review fee, administrative fee, incentive supervisor fee, and/or facility administration fee. The combined total amount of related or third party transactions shall not exceed the limits as stated in Section 1.10.10 of the AHTF regulations. These fees may not be substantiated at the time of CFP application, but rather at residual receipts submittals.</td>
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<td>4</td>
<td>1.17 Building Permits</td>
<td>Section 1.17 Building Permits: Please clarify what using AHTF funds for &quot;acquisition at escrow closing&quot; means. Does this apply to projects where AHTF funds may be used in part to repay an acquisition loan, like the New Generation Fund? Please confirm that all new construction projects are allowed to use a “Ready to Issue” letter in-lieu of a building permit. It doesn’t make sense to require 4% new construction projects to have building permits in-hand when 9% projects only need an RTI letter, particularly if they are two phases of the same project.</td>
<td>While lenders for Bond/4% projects will often close their loan but only allow for the minimum $50,001 bond draw i.e. no further draws until permits are obtained, the HCIDLA has required the permit because of a past experience where a significant delay occurred after loan closing and/or issuance of permit-ready letter. In addition, Section 1.17 states that, &quot;If AHTF Funds are disbursed for acquisition at escrow closing, then HCIDLA will require a building permit at AHTF loan closing.” If AHTF funds are used to repay an NGF loan, then a building permit will be required.</td>
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<td>5</td>
<td>2.1 Leveraging Source Application</td>
<td>Section 2.1 of the updated AHTF pipeline regulations explains that in addition to the electronic 9% or 4% LIHTC application (excluding attachments), we will need to submit the relevant HCD application (MHP Funds, Prop 1C Funds, VHHP (Proposition 41 Program) Funds, or AHSCP Funds) if it is a proposed funding source. This includes the most recent Universal Application form and an attachment application for that funding source. This requirement, which was also included in the last CFP guidelines, was eliminated through the Q and A process in the last CFP. See the response from the last CFP Q and A below: To satisfy the leveraging source requirement for June 22nd CFP deadline, HCIDLA will only require submission of: ● completed 9% LIHTC Application (excluding attachments) for projects applying for 9% LIHTC; or ● completed Universal Application for projects applying for Bonds/4% LIHTC. Additional information may be requested at a later time with a new deadline. Please confirm that that this answer is still valid. It is our understanding that it is HCID’s goal to be able to gauge the competitiveness of a project for its proposed HCD funding sources and confirm that the applicant has a reasonable basis for expecting the proposed funding package can be realized. This can be achieved without submitting the full applications for the proposed HCD funding sources. If more information is desired by HCID LA, one option would be to request a scoring sheet for the proposed sources that identifies the applicants expected self-score that also includes a narrative description of why the applicant thinks they can achieve that score.</td>
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In lieu of a completed Full AHSC application, HCIDLA will accept a completed Attachment 2.1 Supplemental AHSC Application Questionnaire for which a template has been posted and is available from the on-line application system.
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<td>2.1 Leveraging Source Application: requiring projects that anticipate applying for AHSC funds to complete the AHSC funding application in addition to the 9% (or 4%) application as part of the Managed Pipeline application process is an incredibly expensive and labor-intensive endeavor, and should not be required. Successful completion of the AHSC application typically requires a months-long coordination process with HCID/DOT/BOE/Planning as well as outside consultants if there is an STI component, and is unreasonable to ask developers to do at this stage of the project.</td>
<td>See answer above.</td>
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<td>7</td>
<td>2.1 Leveraging Source Application: For the AHSC application, we request that HCID not require the full application workbook, here are a couple of other options that we think are more reasonable for early stage developments, would be easier to review for HCID, and might provide more useful information.</td>
<td>See answer above.</td>
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<td>8</td>
<td>2.2.3 General Information Notices: We are in a long escrow (closing October 2017) on a property with existing units, where GINs will need to go to tenants. However, because of the confusion and stress the service of the GINs may cause for tenants, so far in advance of when the relocation would need to occur (roughly 2 years from now), we are concerned about sending the notices at this time. Can you please provide guidance on timing for the required GINs? Can the GINs be held at least until acceptance into the Managed Pipeline?</td>
<td>Section 2.2.3 states that, &quot;URA Regulations require that persons living in housing where federal funds will be utilized for acquisition, rehabilitation and/or redevelopment of the project, be notified that they will not or may be displaced as a result of the proposed project. HUD requires that tenants be provided with a General Information Notice (GIN) as soon as feasible. For the purposes of these AHTF Regulations, the term “as soon as feasible” is defined as the application deadline date for the Call for Projects....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 Call for Projects application.&quot; Project sponsors seeking for a waiver of this requirement should submit along with the tenant rent roll, a written statement detailing why it was not feasible to serve the GINs. These documents should be submitted in advance of the CFP application deadline to allow HCIDLA to make an early determination, and to avoid failing to meeting a minimum threshold requirement.</td>
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<td>9</td>
<td>2.6</td>
<td>Maximum Projects Per Developer</td>
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<td>10</td>
<td>2.6.1.1</td>
<td>Portfolio Management</td>
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<td>11</td>
<td>2.11</td>
<td>Minimum Feasibility</td>
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<td>12</td>
<td>2.12.2</td>
<td>Phase I Environmental Assessment</td>
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| 13 | 2.12.3 | Lead/Asbestos | Section 2.12.3 (Lead/Asbestos) of the 2016 Call For Projects Regulations gives an exemption to new construction projects where there is complete demolition of all existing structures, if the applicant submits a letter in lieu of a lead test report indicating that the presence of lead is assumed and the appropriate federal, state, and local lead hazard abatement protocols will be followed. Please confirm if this exemption applies for the asbestos assessment as well. Can the applicant submit a letter in lieu of an asbestos assessment, for new construction projects with complete demolition of all existing structures?  
Yes. The in-lieu letter also applies to asbestos assessment, for new construction projects with complete demolition of existing structures. Therefore, Section 2.12.3 - Lead/Asbestos shall be corrected to include asbestos, as follows: "For new construction projects where there is complete demolition of all existing structures, the applicant may submit a letter in lieu of a lead test and/or asbestos assessment report indicating that the presence of lead and/or asbestos is/are assumed and the appropriate federal, state, and local lead hazard abatement protocols will be followed."

| 14 | 2.12.3 | Lead/Asbestos | If a project is over 95% new construction, and only a small existing structure will be adaptively reused, is it ok for the developer to state the she will comply with Lead and Asbestos abatement standards and requirements per HUD/EPA rather than a full blown lead and asbestos report?  
HCIDLA shall accept letters in lieu of lead and asbestos reports ONLY for projects that involve 100% new construction.

| 15 | 2.21 | Transit Oriented Developments (TOD) | For TOD projects, what is the difference between the two bullets below and/or what specifically are you looking for?  
- TOD Labeled Map (Attachment 2.21.1);  
- Scaled Distance Map and Parcel Map (Attachment 2.21.2);  
TOD Labeled Map - a map of any TOD area in relation to the project site, and labeled to show the site location and the qualifying TOD transit stop or buffer. Section 2.21 of the AHTF Regulations contains the definition of a TOD area.  
Scaled Distance Map - a 1/2-mile radius map showing the site location in relation to a qualifying TOD area/s. A parcel map of the site must also be submitted under Attachment 2.21.2 with the application.

| 16 | 2.23 | Soils Report | Proposed item 2.23 Soils Report requires all new construction projects to submit a soils report including the “evaluation of soil liquefaction potential”. Suggest an edit to “evaluation of soil liquefaction potential, if project is in an identified liquefaction zone as indicated on ZIMAS.” Testing for liquefaction requires additional tests beyond the normal required for a soil evaluation and adds additional cost, so this testing should only be done if liquefaction potential needs to be assessed for a given site.  
The evaluation of liquefaction potential shall not be waived. The liquefaction potential analysis shall be based on the maximum historic groundwater level in accordance with CGS Special Publication 117, the SCEC Recommended Procedures, and LAMC 91.1804.5. Seismically induced total and differential settlements and lateral spreading shall be evaluated and reported.\\

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| 17 | 2.24 | Self Certification for Compliance to Access Standards | Conceptual architectural plans or schematics are due with the application and a CASp report is due at this phase. Does this mean the CASp report must be submitted with the application? | Section 2.24 of the AHTF Regulations pertaining to Self-certification for Compliance to Access Standards states that, “All applicants/developers shall complete and submit a signed Access Compliance Certification Form with the Call for Projects Application (Attachment_2.24), and certify that the project shall be designed, constructed, and thereafter maintained in compliance with all applicable federal, State, and local accessibility standards.”

Section 7.4.1 of the AHTF Regulations pertaining to accessibility report by a CASp inspector, states that, “A CASp report certifying that the development is compliant with applicable accessibility standards, must be submitted to and approved by HCIDLA at the following phases of the project development (see Attachment 2.24 7.4.1 and Exhibit 1 HCIDLA Architectural Guidelines):

- Conceptual architectural plans or schematics;
- Construction documents prior to submission of plan check to Los Angeles Department of Building and Safety;
- Progress inspections;
- Completion of construction.” |
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<td>18</td>
<td>3.3</td>
<td>For projects utilizing 4% credits with no specified population, is a 1:45 case management ratio required? If so, is the max allowed to be paid out of cashflow the $250 PUPY as stated for the supportive services reserved?</td>
<td>Non-PSH projects can pay for services at $250 PUPY exclusive of case management ratio as specified in Section 3.3.</td>
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<td>19</td>
<td>3.5</td>
<td>Section 3.5 Developer Fee: The language regarding allowable developer fees for 4%/Bond projects should be updated to match the TCAC regs.</td>
<td>Section 3.5 of the AHTF Regulations states that, &quot;For projects with Bond/4% LIHTC financing structure the maximum developer fee that may be included in the project cost is two million five hundred thousand dollars ($2,500,000); the maximum capitalized developer fee that may be eligible for payment from construction or permanent financing sources shall be two million five hundred thousand dollars ($2,500,000).” For next year’s proposed changes to the regulations, stakeholders are encouraged to submit their requests as soon as HCIDLA starts soliciting for suggested changes to the current regulations in the Winter of 2016.</td>
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<td>20</td>
<td>3.5</td>
<td>A comment was made at the bidders conference that created some confusion for us about the HCID developer fee caps. TCAC increased the developer fee amount that can be included in basis on 4% projects specifically so that projects could get more basis and then contribute dev. Fee. Above $2.5 Million back to the project as a perm source. Please confirm that for 4% projects, HCID will allow developer fees to be included in project costs higher than $2.5 Million but the maximum that can be paid from capital sources is $2.5 Million.</td>
<td>No. For 4% projects, HCID shall NOT allow developer fees that are greater than $2.5 Million be included in the project costs.</td>
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<td>Section 3.5 of the AHTF Regulations states that, &quot;For projects with Bond/4% LIHTC financing structure the maximum developer fee that may be included in the project cost is two million five hundred thousand dollars ($2,500,000); the maximum capitalized developer fee that may be eligible for payment from construction or permanent financing sources shall be two million five hundred thousand dollars ($2,500,000).” For next year’s proposed changes to the regulations, stakeholders are encouraged to submit their requests as soon as HCIDLA starts soliciting for suggested changes to the current regulations in the Winter of 2016.</td>
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1. If we do 10% of our units as special needs and use LA County DHS as the subsidy, what utility allowance do we use, and is it for the whole property?

2. Does our service coordinator ratio change with only the addition of those 10%?

3. The DHS subsidy is only available for 0 and 1-bedroom units. If we have a mix of 1s, 2s and 3s, can we have the special needs/40%AMI units all 1-bedrooms, or do they need to be distributed across unit sizes?

1. Section 3.7.8 states that, "Newly constructed projects...must use the California Energy Commission (CEC) California Utility Allowance Calculator (CUAC)". However, "if a new construction development has several units supported by Section 8 Project Based Vouchers (PBVs) from HACLA, then the project shall be allowed to use HACLA’s utility allowances for the entire project."

2. Service coordinator ratios only apply if the applicant will pay for supportive services coordination and case management from cash flow as an Operating Expense up to the limits defined in Section 3.3. of the AHTF Regulations.

3. Applicants should be aware of Section 10325 (7) (A) & (B) of the CTCAC Regulations by which CTCAC requires lower income targeting across bedroom sizes.

### SECTION 5 - SELECTION CRITERIA

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<td>22</td>
<td>5.1.3</td>
<td>Committed Funding Sources</td>
<td>Do we need a commitment letter from DHS with the application?</td>
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<tr>
<td>23</td>
<td>5.2.1</td>
<td>Supporting Documents</td>
<td>We have already compiled our bank account reserve statements ending 8/31/16 to meet the requirement that they be within 60 days of the application deadline. Can I still these statements now that the deadline has been extended?</td>
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<td>Bank account reserve statements that are current as of the original application deadline (i.e. October 3, 2016) will be accepted by HCIDLA.</td>
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<td>24</td>
<td>5.3.1</td>
<td>Community Benefit Integration</td>
<td>1. Does Community Benefit Integration square footage count as commercial space?</td>
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<td>2. If so, does that mean HCID will not fund its construction?</td>
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<td>3. Additionally, can that space be leased and rent collected provided the tenants serves the community?</td>
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<td>1. If the question is &quot;Can a commercial space be considered to garner points for Community Benefit Integration?&quot;, then Section 5.3.1 states that, &quot;Affordable housing developments...where at least 5% of the total building square footage will be used for non-residential use will receive 8 points. Community facilities can include, but are not limited to community meeting space, community office space, family resources center space, federal qualified healthcare clinic, viable commercial space, community gardens, child care space, or transit-oriented facilities.&quot;</td>
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<td>2. No. Section 1.15 states that, &quot;The applicant/developer must demonstrate, to the satisfaction of HCIDLA, that the total cost to build the Commercial Space is financed wholly and separately by a funding source other than the City-controlled funds. The surplus cash generated by the commercial space shall NOT be included in the calculation of residual receipts.&quot;</td>
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<td>3. Yes. However, Section 1.15, states that, &quot;The surplus cash generated by the commercial space shall NOT be included in the calculation of residual receipts.&quot;</td>
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