NOTICE OF FUNDING AVAILABILITY

First 5 LA
Supportive Housing for Homeless Families Fund

Los Angeles County Children and Families First-Proposition 10 Commission (aka First 5 LA)

Release Date:
SEPTEMBER 14, 2012
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1 Program Overview

1.1 Introduction

Los Angeles County Children and Families First- Proposition 10 Commission (“First 5 LA”) was established in 1998 after California voters approved Proposition 10, an effort to fund health, safety and early education programs for children prenatal to age 5 through revenue from tax on tobacco products. A local First 5 commission was created in each of the state's 58 counties to administer Proposition 10 funds, which are allocated based on each county's birth rate. First 5 LA's mission is to increase the number of Los Angeles County children prenatal to 5 years old who are physically and emotionally healthy, ready to learn, and safe from harm. First 5 LA believes that the first five years of life establish the foundation for the future success of our children. Accordingly, First 5 LA serves as a catalyst in bringing communities together and uniting organizations, businesses, and schools to provide resources and services for families and their children.

On July 12, 2012 the First 5 LA Commission approved a one-time allocation of $25,000,000 to be used to provide permanent supportive housing and related services for families that are homeless or at-risk of homelessness, that have had involvement with the child welfare system, and that include children aged prenatal to 5 years. This initiative is consistent with First 5 LA’s mission to increase the number of children prenatal to age 5 who are physically and emotionally healthy, ready to learn, and safe from harm.

Homelessness puts children at risk of poor outcomes in all of First 5 LA’s goal areas, which include:

1) Babies are born healthy;
   2) Children maintain a healthy weight;
   3) Children are safe from abuse and neglect; and
   4) Children are ready for kindergarten.

This NOFA makes available approximately $23,000,000 to eligible Applicants to provide housing and supportive services which enable these targeted families to remain stably housed, reduce child welfare system involvement, and gain self-sufficiency skills, in order to further First 5 LA’s mission to increase the number of children ages prenatal to 5 who are physically and emotionally healthy, ready to learn, and safe from harm.

Applicants must demonstrate that First 5 LA funds will be leveraged with other sources of public and private funding, including but not limited to Low-Income Housing Tax-Credits, Mental Health Services Act (MHSA) Housing Program, Los Angeles Housing Department’s Affordable Housing Trust Fund or Permanent Supportive Housing program, McKinney-Vento Homeless Assistance Grants, other local funding, foundation grants, and private fundraising.
First 5 LA has designated the Community Development Commission of the County of Los Angeles (CDC) to act as one of its technical advisors in the development and administration of this Notice of Funding Availability (NOFA).

**NOTE:** Any reference to “0-5” in this NOFA will mean “prenatal to 5.”

### 1.2 NOFA Timeline

- **September 14, 2012** – NOFA Released
- **September 25, 2012** – Bidder’s Conference at 2:00 pm at First 5 LA office
- **September 27, 2012** – Last day to email questions
- **October 5, 2012** – NOFA Addendum issued
- **October 19, 2012** – Applications Due by 12:00 noon
- **November 14, 2012** – Declination letters sent to Applicants not selected
- **November 29, 2012** – Last day to appeal
- **November 29, 2012** – First 5 LA Special Commission Meeting to approve recommendations.

**ALL APPLICANTS RECEIVING AN AWARD MUST ENTER INTO LOAN OR GRANT AGREEMENTS SOON AFTER THE FIRST 5 LA COMMISSION APPROVAL. FAILURE TO DO SO MAY RESULT IN THE FORFEITURE OF THE AWARD.** Loan and grant agreement samples are attached as Appendices 16 through 21. Any of these documents may be revised as necessary prior to execution. Note that wherever the terms “COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES” or the “HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES” appear, such terms may also apply to First 5 LA, as appropriate.

### 1.3 First 5 LA’s Rights and Responsibilities

First 5 LA has the right to change the requirements and policies described in this NOFA at First 5 LA’s sole discretion. First 5 LA has the right to amend this NOFA by written addendum. First 5 LA is responsible only for that which is expressly stated in the solicitation document and any authorized written addenda thereto. Such addenda shall be made available online on or before October 5, 2012. Should any such addenda require additional information not previously requested, failure to address the requirements of such addenda may result in the application not being considered, as determined in the sole discretion of First 5 LA. It is the responsibility of Applicants to ensure, prior to submission, that their application reflects the most recent addenda information, program requirements and policies. First 5 LA is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on their behalf. Addenda to this NOFA, if any, will be posted on First 5 LA’s website at [http://www.first5la.org/Funding-Center](http://www.first5la.org/Funding-Center). First 5 LA may delegate any of its rights or responsibilities noted above, or elsewhere in this NOFA, to a designee.
2 Program Description

2.1 Funding Available

Available funding shall be distributed as follows:

- Approximately $11 million for the Capital Development Fund;
- Approximately $5 million for the Gap Financing Fund; and
- Approximately $7 million for the Rental Assistance and Service Fund.

First 5 LA reserves the right to redistribute funds between these Funds.

Only one application may be submitted in each Fund per Applicant entity. Applicants under all categories will be expected to provide both housing and supportive services to families served.

2.1.1 Capital Development Fund

The Capital Development Fund is intended to pay for capital expenditures for construction, acquisition and rehabilitation of physical structures and up to two years of a transition reserve and supportive service expenses for new affordable housing that includes units for the target population. The transition reserve is intended to cover any cash flow short fall while the project sponsor is awaiting receipt of payment from a rental subsidy awarded by another source (e.g., Shelter Plus Care) or following the loss of a rental subsidy, provided that sponsor is actively seeking renewal or replacement of a source of permanent rental subsidy. An application under this part may consist of any of the following combinations of components:

1. Capital only;
2. Capital and transition reserve;
3. Capital, transition reserve and services; or
4. Capital and services;

2.1.2 Gap Financing Fund

The Gap Financing Fund is intended to pay for capital, transition reserve, or supportive service gaps in capital developments that are under construction at the time of application. Applicants must be able to demonstrate that the project has a construction financing gap due to an unforeseen site condition or unforeseen loss of funding. These funds may not be used to cover the cost of increases to the project scope of work or to pay the project’s developer fee. If the project needs a transition reserve or funding for supportive services because of the incorporation of the target population into 35% of its units, the Applicant may request funding for either or both.

If a cessation of construction has occurred due to a funding gap, the Project must be able to resume construction within 30 days of executing the Loan Agreement.
Applicants for the Gap Financing Fund must demonstrate that all existing project lenders have approved all proposed modifications related to project financing, development, operations, and target population.

### 2.1.3 Rental Assistance and Service Fund

The Rental Assistance and Service Fund is intended to cover expenses related to providing short-term rental assistance and/or master-leasing, move-in expenses, and supportive services to families to facilitate their move into market-rate housing and to enable them to maintain housing stability. Since rental subsidies are intended to be short-term, services must be provided that enable families to gain self-sufficiency skills and resources with the ultimate goal of the family fully assuming responsibility for the lease. Successful Applicants will be required to provide both rental assistance and supportive services; however, Applicants may request funding for only one of these activities provided the application demonstrates that it already has committed funding that will allow it to perform both activities for the target population.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
<th>Rental Assistance and Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition (vacant building)</td>
<td></td>
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<td>X</td>
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<tr>
<td>New Construction</td>
<td>X</td>
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<td>X</td>
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<tr>
<td>Acquisition with Substantial Rehabilitation</td>
<td></td>
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<td>X</td>
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<tr>
<td>Transition Reserve and Supportive Services Connected to New Construction, Acq. with Substantial Rehabilitation, or Acquisition of vacant buildings</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Transition Reserve and/or Supportive Services Connected to New Construction, Acquisition with Substantial Rehabilitation</td>
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<td>X</td>
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<tr>
<td>Rental Assistance with Supportive Services</td>
<td></td>
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<td>X</td>
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<tr>
<td>Master-Leasing with Supportive Services</td>
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### 2.2 Eligible Populations to Be Served

Eligible families must meet all of the following criteria:

1. Have at least one child between the ages 0-5 (prenatal up to but not including the sixth birthday) at the time of entry;
2. At least one member of the family is currently or has in the past been involved with the County’s Department of Children and Family Services (DCFS);
3. Be homeless or at risk of homelessness, as defined in Sections 103 and 401 of the McKinney Vento Homeless Assistance Act, as amended by the Homeless
Emergency Assistance and Rapid Transition to Housing Act of 2009. Definitions for “homeless” and “at risk of homelessness” can be found in Appendix 6, and the entire legislation may be found at:

(4) Family is defined as the immediate family with legal guardianship of a child ages 0-5.

2.2.1 Aged-Out

Once the youngest child in the household reaches the age of 6, a family is no longer eligible for any assistance from First 5 LA. At that point, families that were receiving assistance are considered “Aged Out” and assistance to that family must cease.

Applicants will need to address how the needs of Aged Out families will be addressed to ensure a smooth transition that does not allow the family to become at risk of homelessness. A plan for this transition is required to be addressed in the Supportive Service Plan (J.1 of Appendix 1), Property Management plan, and the Program Narrative (B.2 of Appendix 2).

2.2.2 DCFS Involvement

DCFS involvement may include, but is not limited to, the following:

- A call to the DCFS Child Abuse Hotline being made regarding a child;
- A family receiving Family Maintenance services from DCFS;
- A child having been removed from the home;
- A parent having been in foster care or received other DCFS services as a minor.

DCFS will be the entity responsible for developing and managing the client referral process for this program and confirming eligibility of families based upon specific criteria listed above. While DCFS will accept recommendations from First 5 LA Supportive Housing providers as well as any and all other service providers, such acceptance of recommendations will not automatically constitute a referral.

2.2.3 Sex Offender Restrictions

First 5 LA funds may not be used to serve a family where any member of the household is a registered sex offender. Furthermore, in order to ensure the safety of children pursuant to First 5 LA goal area #3, housing developments funded under the Capital Development or Gap Financing Funds must include a provision in the property management plan which prohibits admission into any unit in the development of a household that includes a member subject to a lifetime registration requirement under a State sex offender registration program. Such provision should be consistent with the prohibition on sex offenders for the Section 8 program (found at 24 CFR 982.553(2)). Property managers must perform criminal background
checks on all Applicants to determine whether any household member is subject to a lifetime registration requirement in California or any other State where the household members are known to have resided. All tenant leases must include a provision that the tenant is in default if a household member is a registered sex offender and allowing for eviction proceedings to occur in the event that a household’s sex offender status is discovered during the term of tenancy.

Applicants under the Rental Assistance and Service Fund must verify prior to placing a family in any building that there are no registered sex offenders residing in the building.

2.3 Funding Structure and Disbursement

2.3.1 Capital Development and Gap Financing Funds

Funds for capital and transition reserve will be structured as low-interest rate loans. Funds for acquisition and construction hard costs will be disbursed on a draw-down basis upon closing of the loan or commencement of construction. Funds for soft costs will be disbursed on a reimbursement basis. The transition reserve will be capitalized and incorporated into the total loan amount but held in reserved by First 5 LA or its designee until needed. Supportive service funding will be provided as grants and disbursed on a reimbursable basis.

2.3.2 Rental Assistance and Service Fund

All Rental Assistance and Service funds will be provided as grants on a reimbursable basis.

3 Capital Development Fund

3.1 Funding Limits

The maximum Capital Development Fund per project is $3,700,000. Of these funds, up to $3,000,000 may be used for capital costs, up to $500,000 may be used for transition reserve, and up to $200,000 may be used for supportive service costs.

All funding awards represent the maximum participation of First 5 LA under this NOFA and are subject to further due diligence review prior to disbursement of funds. The award may be reduced if First 5 LA or its designee determines the full amount is not necessary to achieve feasibility. Projects that receive a recommendation for funding may be required to provide additional documentation prior to or after contracting.
3.2 Geographic Limitations

- All projects must be located in the County of Los Angeles;
- All projects must be located in their entirety at a distance greater than 500 feet of a freeway;
- **Scattered Site Developments:** In order for scattered site projects to be eligible for funding, the parcels comprising the project must be situated within reasonable proximity to one another as determined by the First 5 LA in its sole discretion.

3.3 Eligible Uses of Capital Development Funds

Funds for Capital Development may only be used for costs associated with the units reserved for the target population and a proportionate amount of the common areas. The following activities are eligible for funding under this part:

- Acquisition of vacant buildings that require little to no rehabilitation, provided that the project does not involve any relocation costs;
- Acquisition of land and improvements in conjunction with substantial rehabilitation or new construction. (The acquisition costs shall not exceed fair market value as determined by an appraisal.);
- Hard and soft costs associated with new construction or substantial rehabilitation;
- Permanent financing;
- Up to 2 years of a transition reserve for projects that have applied or will be applying for a long-term rental or operating subsidy, such as Section 8 or Shelter Plus Care; and
- Up to 2 years of supportive service staffing costs

3.4 Ineligible Uses for Capital Development Funds

Funds awarded under this NOFA may NOT be used for the following activities:

- Development of emergency shelters or transitional housing;
- Development of group homes;
- Gap financing for projects in occupancy or having commenced construction prior to the date of the application;
- Services or operating funds without capital funding;
- Refinancing of housing developments in operation at the time of application; or
- Acquisition of an occupied building.

In no event shall Applicant or its officers, employees, agents, subcontractors or assignees supplant state, county, local or other governmental General Fund money with First 5 LA funds for any purpose.
3.5 Eligible Applicants

Eligible Applicants include nonprofit and for-profit organizations, public agencies, and joint ventures among any of these entities. All Applicants must meet the requirements below.

3.5.1 Developer Requirements

- The development team must include a developer or turnkey builder with adequate financial capacity and a successful track record of developing projects of similar type and scale. The Applicant must have completed at least one housing project of the type and scale proposed.

- The development team must include property management staff—whether third party or the Applicant’s own personnel—with experience in managing developments of the type and scale proposed.

- Applicants must demonstrate the capacity to own and operate the project.

- Applicants must not have a record of violation of regulatory agreements or a record of discrimination with any public agency.

3.5.2 Lead Service Provider Requirements

All projects funded must provide appropriate services to the target population, even if service funding is not requested under this NOFA. Therefore, all Applicants must have identified a Lead Service Provider that will coordinate the provision of services to families.

The Lead Service Provider must meet the following criteria:

- Have at least two years experience providing services and permanent housing placement to families with young children who are homeless or at risk of homelessness; and

- Be able to demonstrate adequate financial and organizational capacity to carry out the specific activities proposed.

3.6 Eligible Projects

Only projects that propose to reserve units for the target population identified in Section 2.2 are eligible for funding under this NOFA.
3.6.1 Housing Development Minimum Requirements:

- Target Population Unit Set-Asides
  - Minimum: thirty-five percent (35%) (or 5 units, whichever is greater)
  - Maximum: fifty percent (50%) of the project’s total units
    - Note that this maximum threshold has been set because of the “Aged-Out” provision described in Section 2.2 of this NOFA. With this 50% maximum, First 5 expects that “Aged-Out” families would remain in place and the next available unit in the Project must be rented to a First 5 LA eligible family.

- Applicants are welcome to propose a higher maximum threshold if they are able to do so and still ensure a smooth transition of Aged-Out families.

- Applicants should take these Unit Set-Asides and the “Aged-Out” provision into consideration when determining the Project’s unit mix and income targets. In addition, Applicants must describe how this issue will be addressed in Section B.3 of Appendix 1 and in the Property Management Plan and Supportive Services Plan.

- First 5 LA units must be restricted to households earning at or below 30% of Area Median Income (AMI).

- Projects must have applied for or plan on applying for a long-term rental or operating subsidy for the restricted units, such as Project-Based Section 8 or Shelter Plus Care vouchers.

- Construction hard costs for acquisition with rehabilitation projects must account for at least 15% of total project costs (excluding land). The rehabilitation work must include replacement of at least two major building systems (e.g. roof system, plumbing system, fire sprinkler system, HVAC system, electrical system, foundation reinforcement, seismic retrofit, structural system, and stormwater management) and comply with HUD’s Housing Quality Standards.

- All reserved units must comply with US Department of Housing and Urban Development’s Housing Quality Standards.

- Projects must demonstrate a strong supportive service component that assists families in achieving housing stability, reducing child welfare system involvement, and improving child outcomes in First 5 LA’s four goal areas.
3.7 Financing Terms

Funds for capital costs will be made available as loans and generally under the following terms:

- **Interest rate:** 3% simple annual
- **Term:** 30 years or greater, depending on financing structure
- **Repayment:** Forgivable or residual receipts, depending on financing structure
- **Collateral:** Deed of trust secured by the land or leasehold interest and improvements

3.8 Design Requirements

The design of the proposed project will be evaluated; however, an application consisting of acquired vacant buildings that require little to no repairs is not subject to Appendix 11 Architectural Design Guidelines. Only new construction and acquisition with substantial rehabilitation projects will be evaluated based on the project’s adherence to the Architectural Design Guidelines.

The design evaluation of new construction and acquisition with substantial rehabilitation projects will take into consideration whether the project has been thoroughly vetted by a design review body (in addition to the zoning and building and safety requirements) provided this process and its outcome is adequately described in the project design description. In addition, it is expected that the Applicant will retain either an architect or a construction manager during the construction phase of the project.

If the Applicant proposes to demolish residential units, 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. Projects involving structures built before 1978 that require rehabilitation or demolition must budget for lead-based paint and asbestos testing and abatement and comply with all legal requirements.

4 Gap Financing Fund

Capital development projects that are in construction at the time of application that have experienced funding gaps due to an unforeseen loss of funding or unforeseen site conditions.

4.1 Funding Limits

The maximum Gap Financing Fund award per project shall be $2,000,000 for capital, $500,000 for transition reserve, and $200,000 for supportive services costs.
All funding awards represent the maximum participation of First 5 LA under this NOFA and are subject to further due diligence review prior to disbursement of funds. The award may be reduced if First 5 or its designee determines the full amount is not necessary to achieve feasibility. Projects that receive a recommendation for funding may be required to provide additional documentation prior to or after contracting.

4.2 Geographic Limitations

- All projects must be located in the County of Los Angeles;
- All projects must be located in their entirety at a distance greater than 500 feet of a freeway;
- **Scattered Site Developments:** In order for scattered site projects to be eligible for funding, the parcels comprising the project must be situated within reasonable proximity to one another as determined by First 5 LA in its sole discretion.

4.3 Eligible Uses of the Gap Financing Fund

Gap Financing Funds may be used for any combination of the following activities:

- To fill capital gaps in housing developments under construction that can demonstrate a loss of construction funding or unforeseen construction cost overruns beyond the control of the Applicant;
- To provide up to 2 years of transition reserve for housing developments under construction that have applied or will be applying for a long-term rental or operating subsidy, such as Section 8 Project-Based Vouchers or Shelter Plus Care Project-Based Vouchers;
- To cover the costs of supportive service provision for up to 2 years in housing developments that are under construction, provided that Applicant demonstrates to First 5 LA a plan to secure future supportive service funding and a track record of securing public and private funding.

4.4 Ineligible Uses of the Gap Financing Fund

- Capital, operating, or supportive service costs for emergency shelters, transitional housing, or group homes
- Increases in the project scope of work following construction commencement
- Costs related to scope of work items that had previously been removed due to value engineering
- Payment of developer fee
- Substitution of a committed funding source (public or private)
In no event shall Applicant or its officers, employees, agents, subcontractors or assignees supplant state, county, local or other governmental General Fund money with First 5 LA funds for any purpose.

### 4.5 Eligible Applicants for the Gap Financing Fund

Eligible Applicants include nonprofit and for-profit organizations, public agencies, and joint ventures among any of these entities. All Applicants must meet the requirements below.

#### 4.5.1 Developer Requirements

- The development team must include a developer or turnkey builder with adequate financial capacity and a successful track record of developing projects of similar type and scale. The Applicant must have completed at least one housing project of the type and scale proposed.
- The development team must include property management staff—whether third party or the Applicant’s own personnel—with experience in managing developments of the type and scale proposed.
- Applicants must demonstrate the capacity to own and operate the project.
- Applicants must not have a record of violation of regulatory agreements or a record of discrimination with any public agency.

#### 4.5.2 Lead Service Provider Requirements

All capital projects funded must provide appropriate services to the target population, even if service funding is not requested under this NOFA. Therefore, all Applicants must have identified a Lead Service Provider that will coordinate the provision of services to families.

The Lead Service Provider must meet the following criteria:

- Have at least two years experience providing services and permanent housing placement to families with young children who are homeless or at risk of homelessness; and
- Be able to demonstrate adequate financial and organizational capacity to carry out the specific activities proposed.

### 4.6 Projects Eligible for the Gap Financing Fund

Only housing development projects that have begun construction at the time of application, as evidenced by a recorded Notice to Proceed, that propose to reserve units
for the target population identified in Section 2.2 are eligible for funding under the Gap Financing Fund.

4.6.1 Housing Development Minimum Requirements:

- Target Population Unit Set-Asides
  - **Minimum:** thirty-five percent (35%) (or 5 units, whichever is greater)
  - **Maximum:** fifty percent (50%) of the project’s total units
    - Note that this maximum threshold has been set because of the “Aged-Out” provision described in Section 2.2 of this NOFA. With this 50% maximum, First 5 expects that “Aged-Out” families would remain in place and the next available unit in the Project must be rented to a First 5 LA eligible family.
    - Applicants are welcome to propose a higher maximum percentage if they are able to do so and still ensure a smooth transition of Aged-Out families.
  - Applicants should take these Unit Set-Asides and the “Aged-Out” provision into consideration when determining the Project’s unit mix and income targets. In addition, Applicants must describe how this issue will be addressed in Section B.3 of Appendix 1 and in the Property Management Plan and Supportive Services Plan.

- Reserved units must be restricted to households earning at or below 30% of AMI.

- Projects must have applied for or plan on applying for a long-term rental or operating subsidy for the restricted units, such as Project-Based Section 8 or Shelter Plus Care vouchers.

- All reserved units must comply with US Department of Housing and Urban Development’s Housing Quality Standards.

- Projects must demonstrate a strong supportive service component that assists families in achieving housing stability, reducing child welfare system involvement, and improving child outcomes in First 5 LA’s four goal areas.

4.7 Design Requirements

All applications for the Gap Financing Fund must include the Design and Construction submittals noted in the Application Checklist (Items H.1 – H.20, except for Section H.18). While these items will not be scored, architectural plans will be reviewed for
compliance with the 2010 Americans with Disabilities Act (ADA) standards for accessible design.

5 Rental Assistance & Service Fund

Applicants requesting funding under the Rental Assistance and Service fund must provide both rental assistance and supportive services to families eligible under Section 2.2. Funds may be utilized to expand an existing rental assistance and supportive service program. These funds are intended to support a rapid rehousing approach, which aims to move lower-barrier homeless families quickly into permanent housing available in the private rental market.

Rental assistance may be provided for a maximum of 2 years. Because this assistance is time-limited, Applicants shall carefully assess the needs of families in order to target families that are expected to be able to achieve self-sufficiency in less than 2 years and to determine the appropriate level of assistance. Families should be expected to pay an increasing portion of the rent as their household income increases so that the family eventually pays 100% of the rent and take full responsibility for the lease once the rental assistance has ended, provided that the family portion shall not exceed 30% of the household’s income at entry into the program. Applicants shall re-certify each family’s eligibility and income every 3 months initially (which may be extended to every 6 months based on the provider’s assessment) throughout participation in the program, and may adjust the level of assistance if it is determined appropriate.

Successful Applicants will be expected to provide services to assist families in locating and maintaining housing. Applicants may master-lease units from private landlords to sublease to families that have barriers to obtaining a lease on their own (e.g. poor credit history, criminal background, etc.).

Applicants must ensure that families are not placed in buildings in which there are any registered sex offenders residing.

5.1 Funding Limits

The maximum Rental Assistance and Service Fund award per application shall be no greater than $1,400,000 million. Of these funds, up to $1,200,000 may be used for rental assistance activities, and up to $200,000 may be used for expenses related to supportive service provision. Fifty percent of awarded funds must be expended within 12 months of contract date, and all funds must be fully expended within two years.

All funding awards represent the maximum participation of First 5 LA under this NOFA and are subject to further due diligence review prior to disbursement of funds. The award may be reduced if First 5 LA or its designee determines the full amount is not necessary to achieve feasibility. Projects that receive a recommendation for funding may be required to provide additional documentation prior to or after contracting.
5.2 Geographic Limitations

All programs must be located within the County of Los Angeles.

5.3 Eligible Use of Funds

Funds awarded under the Rental Assistance and Service Fund may be used for the following activities:

- Rental assistance (up to 2 years)
- Move-in assistance (e.g. security deposits, utility deposits, furnishings, first/last month rent)
- Rental and utility arrears (up to 6 months)
- Master-leasing (up to 2 years)
- Housing Location
- Case Management
- Supportive services

5.3.1 Administrative costs

No more than 10% of the grant may be used for costs associated with grant/program administration.

5.4 Ineligible Uses of Rental Assistance & Service Fund

Funds may NOT be employed for the following uses:

- Child care subsidies
- Legal fees related to eviction prevention
- Substitution of a committed funding source (public or private)
- Services not connected with permanent housing
- Providing assistance to a family with a member of the household who is a registered sex offender

In no event shall Applicant or its officers, employees, agents, subcontractors or assignees supplant state, county, local or other governmental General Fund money with First 5 LA funds for any purpose.

5.5 Eligible Applicants

Eligible Applicants include nonprofit organizations, public agencies, and joint ventures. All Applicants must meet the following criteria:
• Applicants must have at least two years experience providing services and permanent housing placement to families with young children who are homeless or at risk of homelessness;
• Applicants must have at least one year of rapid rehousing experience (assisting families in locating and securing units in the private rental market and administering rental assistance and/or master-leasing;
• Applicants must demonstrate adequate financial and organizational capacity to successfully operate the project and carry out the specific activities proposed.
• Applicants must demonstrate access to rental units through master-leases and/or existing relationships with landlords.

First 5 LA reserves the right in its sole discretion to approve or reject Applicants based on past performance.

5.6 Program Components

All Applicants receiving funding under the Rental Assistance and Service Fund must provide housing assistance through rental assistance and/or master-leasing, in combination with supportive services to support housing stability for families.

5.6.1 Rental Assistance

Applicants may provide rental assistance on behalf of a family for up to 2 years. Rental assistance payments must be issued directly to the landlord or property management company on behalf of the family. Applicant will be expected to conduct an initial assessment to determine the approximate length of assistance needed and the portion of rent that the family is able to pay, which shall not exceed thirty percent (30%) of the household’s gross monthly income. The total rent (family portion plus rental assistance) shall not exceed the Fair Market Rent for the Los Angeles-Long Beach Metropolitan area, as established by HUD. Applicants must utilize the Los Angeles County Housing Resource Center to determine rent reasonableness. If another method is utilized, Applicant must demonstrate its efficacy to First 5 LA or its designee. Move-in costs, such as first and last month rent, security deposit, utility deposits, furnishings, and moving expenses are also eligible under this category. For families that are at risk of homelessness, up to 6 months of rental arrears and utility arrears may be provided to prevent eviction. First 5 LA funds shall only be used for this purpose if the client is unable to pay the rent in arrears and is threatened with eviction, and no other resources are available to pay. Eviction prevention may be a component of a Rental Assistance & Service program, but it may not be a stand-alone program.

5.6.2 Master Leasing

Applicants may directly lease apartment units after negotiating rents with landlords, which the Applicant then sub-leases to families with which landlords may be
unwilling to enter into a lease agreement due to issues of credit history, income, criminal background, etc.

5.6.3 Housing Location

All Applicants must employ staff experienced in locating rental housing, assisting families in negotiating with landlords and property managers to secure decent and safe housing, and continuing to advocate on behalf of the family if issues arise during the family’s tenancy. Applicants should take into consideration the accessibility of affordable child care and other relevant services when placing families. Applicants will be expected to conduct habitability inspections of rental units (See Appendix 8 for a sample Habitability Checklist). At least one staff member will need to obtain certification in conducting visual inspections for lead-based paint. A free training and certification is offered online at http://www.hud.gov/offices/lead/training/visualassessment/h00100.cfm.

5.6.4 Case Management & Supportive Services

In addition to assisting families to secure housing, Applicants must provide and/or coordinate comprehensive supportive services to support the family’s housing stability, enable the family to work toward self-sufficiency, and to ensure the healthy physical, mental, and emotional development of the children prenatal to five. Intensive case management shall be provided to each family to assist the family in making progress toward its goals and to ensure access to essential services, including but not limited to health care, mental health services, child care, child development, education and employment services, and life skills. See Appendix 4 – “Supportive Service Requirements” for a complete list of required and eligible services.

5.7 “Aged Out” Families

If a family “ages out” per Section 2.2 of this NOFA during the period in which it is receiving assistance, First 5 LA funds may no longer be used to provide services or rental assistance to the family. Applicants must demonstrate how this issue will be addressed (e.g. how family will be assisted with other resources at the Applicant’s disposal or how family will be transitioned to another program).

6 Application Process

The NOFA and Application for Funding are in Word and Excel 2007.

The NOFA and Applications for Funding list all submission requirements and are available for download at www.first5la.org. Material changes and/or additions to the application after submission will not be accepted.
Applicants for the Capital Development or Gap Financing Funds must complete Appendix 1. Applicants for the Rental Assistance and Service Fund must complete Appendix 2.

Acceptance of an application under this NOFA does not constitute a contract or commitment of any kind. First 5 LA reserves the right in its sole discretion to reject any and all applications in whole or in part. Submission of an application under this NOFA constitutes agreement by the Applicant as to all terms, conditions, requirements, and rules of the NOFA.

6.1 Mandatory Bidders’ Conference

A MANDATORY Bidder’s Conference will be held for all Applicants interested in submitting an application. It is expected that potential Applicants will have read the NOFA in its entirety prior to attending the conference. The Bidder’s Conference will provide a brief overview only of the NOFA and provide Applicants with the opportunity to ask questions. Applicants should bring their copy of the NOFA to the Bidders’ Conference. Hard copies of the NOFA will not be provided.

Applications will not be accepted from Applicants that did not attend the Mandatory Bidders’ Conference.

The Bidders’ Conference will be held on Tuesday, September 25, at 2:00 pm to 3:30 pm at First 5 LA’s offices at 750 N. Alameda St., Los Angeles, CA 90012, in the Multi-Purpose Room.

6.2 Application Submission

First 5 LA will accept applications on October 19, 2012 from 9:00 a.m. to 12:00 noon. Applications received after 12:00 noon on Friday, October 19 will not be accepted and will be returned unopened.

Applicants must complete the online application summary, and submit one (1) hard copy binder and two (2) exact electronic copies on PC formatted CDs. Both CD copies must be identical to the original application in order to be reviewed. Applications must include each item noted on the Application Checklist. Brochures, clippings, or promotional items will not be considered as a submittal item on the Application Checklist or an acceptable response. Applicants must include each item in the Application Checklist or clearly indicate any items that are not applicable and explain why.

Applications must be typed uniformly with 12 pitch font size and single spaced. Applications must include each item noted on the Application Checklist. Each section must be clearly titled, with tabs, in the order outlined in the Application Checklist of Appendix 1 or 2. Applications must be clean and suitable for copying. Applications must be specific unto themselves and all questions must be answered. For Example, “see
attached” or “enclosed” will not suffice. If a question does not apply, indicate N/A and explain why.

Applications must be submitted to:

Dr. Antonio Gallardo, Chief Program Officer  
First 5 LA  
c/o Community Development Commission  
of the County of Los Angeles  
2 Coral Circle  
Monterey Park, CA 91755

By submission of an application, each Applicant acknowledges receipt of all addenda, if any, posted on www.first5la.org.

6.3 Application Evaluation

Applications will be processed in two stages. First, the threshold review will evaluate compliance with threshold requirements as specified in Section 6. Applications that do not conform to the threshold requirements will not receive further consideration. Second, those that pass threshold review will proceed to technical review for scoring. Applications that comply with threshold requirements will go through technical review and be scored using the Scoring Criteria in Section 11. Once scoring is completed, Applicants not being recommended for funding will receive a declination letter.

6.4 Appeals

First 5 LA reserves the right, without prejudice, to reject any or all submitted applications. An appeal shall be permitted only on the grounds that the decision violated applicable law, First 5 LA policies and procedures, or the terms of the NOFA. Appeals challenging First 5 LA’s decision on the merits or qualifications of bidders or Applicants or the scoring of applications shall not be permitted. An appeal of a First 5 LA decision shall be in writing and filed with the office of the Chief Executive Officer within ten (10) business days following the date the notification of decision is made by First 5 LA. For more information, please see First 5 LA’s Appeals Policy (Appendix 12).

Applicants must be available to meet with First 5 LA staff to discuss the appeal during the appeal period, currently estimated to be between November 14 and November 29, or the right to appeal will be forfeited.

6.5 Questions and Answers

Following the Bidders’ Conference, Applicants will have the opportunity to submit questions via email. All questions must be submitted by 5:00 pm on September 27, 2012, using the subject line: “NOFA First 5 LA”. Answers to questions posed at the Bidders’ Conference and submitted via email will be posted by October 5, 2012.
All questions must be submitted to Dr. Antonio Gallardo, Chief Program Officer, at agallardo@first5la.org.

**7 Contractual Considerations (Service Contracts)**

Specific contractual considerations, including but not limited to the following, apply to the NOFA submission process and project implementation and to any contracts that result from the submission and implementation of the project/application. The contractor will need to comply with all of the provisions in the attached sample contracts (See Appendices 20 and 21).

**A. Conflict of Interest**

The selected Contractor will be required to comply with First 5 LA’s Conflict of Interest provisions, as outlined in the contract, and as applicable under California Law. Contractor acknowledges that he/she/it is acting as public official pursuant to the Contract and shall therefore avoid undertaking any activity or accepting any payment, employment or gift from any third party that could create a legal conflict of interest or the appearance of any such conflict. A conflict of interest exists when one has the opportunity to advance or protect one’s own interest or private interest of others, with whom one has a relationship, in a way that is detrimental to the interest, or potentially harmful for the integrity or fundamental mission of First 5 LA. Contractor shall maintain the confidentiality of any confidential information obtained from First 5 LA during the Contract and shall not use such information for personal or commercial gain outside the Contract. By agreeing to the Contract and accepting financial compensation for services rendered hereunder, Contractor agrees that he/she/it will not subsequently solicit or accept employment or compensation under any program, grant or service that results from or arises out of the funded project and related initiative(s). During the term of the Contract and for one year thereafter, Contractor will not knowingly solicit or accept employment and/or compensation from any First 5 LA collaborator or Contractor without the prior written consent of First 5 LA.

**B. Compliance**

Current/Former grantees and/or Contractors must be in good standing and in compliance with all aspects of their contract with First 5 LA in order to be eligible to apply for the current Notice of Funding Availability (NOFA). First 5 LA may deem an Applicant ineligible if it finds in its reasonable discretion, that Applicant has done any of the following, including but not limited to: (1) violated any significant terms or conditions of Grant Agreement/Contract; (2) committed any act or omission which negatively reflects on Applicant’s quality, fitness or capacity to perform services listed in the NOFA with First 5 LA or any other public entity, or engaged in a pattern or practice which negatively reflects on the same; (3) committed an act or offense which indicates a lack of business integrity or business dishonesty; or (4) made or submitted a false claim against First 5 LA or any other public entity.
C. Contract Information

1. First 5 LA may, at its sole discretion, reject any or all submissions in response to this NOFA. First 5 LA also reserves the right to cancel this NOFA, at its sole discretion, at any time before execution of a contract. First 5 LA shall not be liable for any costs incurred in connection with the preparation of any submissions in response to this NOFA. Any cover letters, résumés and/or curriculum vita, including attached materials, submitted in response to this NOFA shall become property of First 5 LA and subject to public disclosure.

2. The agency/organization submitting an application agrees that by submitting an application it authorizes First 5 LA to verify any or all information and/or references given in the application.

3. First 5 LA reserves the right, after contract award, to amend the resulting contract, scope of work, and any other exhibits as needed throughout the term of the contract to best meet the needs of First 5 LA.

4. First 5 LA reserves the right to request additional financial information to verify Applicant’s past and current financial status. This information includes, but is not limited to: the most recent independent audit, Cash Flow Statement, Statement of Activities (Income Statement), and Statement of Financial Position (Balance Sheet).

5. Consistent with the intent of Proposition 10: California Children and Families Act of 1998, no monies for this Project may be used to supplant Federal, State, County and/or other monies available to the organization for any purpose. Activities funded under this application must be new or enhancements to existing activities.

6. The award of a contract by First 5 LA to an individual/agency/organization that proposes to use sub contractors for the performance of work under the contract resulting from this application process shall not be interpreted to limit First 5 LA’s right to approve subcontractors, assemble teams and/or assign leads. Each Applicant will be evaluated independently for added value to the overall team. A copy of executed subcontract(s) related to Program funding must be provided to First 5 LA.

7. The selected Contractor will be required to sign the contract at least two (2) weeks prior to the intended start date of the contract, as outlined in Terms of Contract/Term of Grant section, to assure the timely completion of the signature process by all parties. If the contract is not signed prior to the intended start date, the commencement of any activities under the Exhibit A – Scope of Work will not begin until the contract execution date (the date all parties have signed the contract) and Contractor will not be eligible to obtain reimbursement for any costs incurred prior to the contract execution date, unless otherwise approved in writing by the First 5 LA. If this Contract is not signed within the thirty-day (30) period from the intended start
date, First 5 LA has the right to withdraw the contract award. First 5 LA reserves the right to revise the effective date prior to final execution of the contract.

The contractor shall not be authorized to deliver or commence performance of services as described in this NOFA until final execution of the contract (contract must be signed by both parties). Final execution of the contract is contingent on First 5 LA’s Board approval of the negotiated scope of work and budget. Any performance of services commenced prior to obtaining all written approvals by First 5 LA shall be considered voluntary.

8. Unless otherwise submitted during the application process, the selected Contractor will be required to submit the required documentation listed on the Contractor Checklist, which includes, but not limited to, the following documents before the Contract can be fully executed:

- Agency Involvement in Litigation and/or Contract Compliance Difficulties Form
- By-laws
- Articles of Incorporation
- Board of Directors or List of Partners (if applicable)
- Signature Authorization Form
- Annual Independent Audit for the most recent two (2) years
- Appropriate business licenses (for vendors or private organizations)
- Tax-exemption letter from IRS
- Completed IRS Form W-9
- Memorandums of Understanding (for any sub-contractors, collaborators, and/or partners requested by First 5 LA or its designee)
- Certificates of Insurance for all insurance requirements

9. Per First 5 LA’s Policy and Guidelines for Hiring Consultants, the total composite rate, which includes labor and other costs, for a Consultant may not exceed $150-$200 an hour, depending on the type of expertise. A blended rate is allowable. For example, for a contract totaling $150,000, a consultant may bill 500 hours for Consultant A at $200/hour, and 500 hours for Consultant B at $100/hour, with a total composite rate of $150/hour (1,000 total hours divided by $150,000 in billable hours = $150/hour).

The selected contractor/s will be required to adhere to all contractual obligations as outlined in this NOFA, including the First 5 LA Contract (See Sample Contract). The selected Applicant shall be expected to execute the contract without substantive alteration. If Applicant cannot accept the terms of the contract without substantive alterations, the Applicant should refrain from applying. It is imperative that all Applicants review the contract language in detail and fully understand contractual obligations should they be selected.
8 Funding Conditions

8.1 Capital Funds

8.1.1 Term of Commitment

Funding commitments under this NOFA are valid for 12 months following approval by the First 5 LA Commission. During this period, Applicants for the Capital Development Fund must obtain all discretionary land use approvals and secure all necessary additional financing, including tax credits. First 5 LA may extend the term of commitment at its sole discretion if Applicant can demonstrate its efforts to secure all the necessary project financing.

8.1.2 Compliance with All Conditions to Closing

All requirements and conditions set forth in this NOFA and the loan documents which are to be satisfied before the project can be funded must be satisfied, as determined by First 5 LA or its designee in its sole discretion. The representations and warranties of the Applicant under and in connection with this NOFA and all materials and information submitted to First 5 LA or its designee in connection with this NOFA must continue to be true and correct and not omit any material information at all times from the time when they are made and or submitted to First 5 LA or its designee; until an award is made; then continuing until the closing of the loan and first funding; and then throughout the term of the loan as required to be maintained by the loan documents, the NOFA, any related documents or applicable laws. By way of example and not intended to be an exhaustive list, some of the conditions, representations or warranties that must at all times be true include:

- Applicant must be in good standing and have the authority and organizational power to enter into the documents, agreements, and certifications related to the NOFA and the loan documents;

- Applicant and its partners, principals or affiliates must not be or include any persons or companies who are noncompliant with the requirements of any agreement with First 5 LA, the Community Development Commission of the County of Los Angeles (CDC) or the Housing Authority of the County of Los Angeles (HACoLA) or is listed on the County of Los Angeles’ or the U.S. Department of Housing and Urban Development’s (HUD) debarment lists;

- Applicant and its partners, principals or affiliates cannot be in default or violation of any of its obligations under the NOFA or any loan documents, contracts, agreements, court orders or laws, and submitting the NOFA and providing the information and entering into the agreements contemplated by the NOFA will not cause a default or violation;
• Applicant’s financial condition shall not have declined;

• There shall be no change in the ownership, management or control (direct or indirectly) of Applicant which is not promptly disclosed to and approved by First 5 LA or its designee;

• Applicant and its partners, principals or affiliates shall not be subject to any binding, agreement, suit, order, or law which would be violated if Applicant proceeds with the transactions contemplated by the NOFA or the loan documents;

• There shall be no discovery of any preexisting event or circumstances and there shall be no material adverse change in the condition or suitability of the project site, the feasibility of the project, completion date, or the cost of the project.

• Applicant and its partners, principals or affiliates shall not be subject to any litigation, suit, arbitration or administrative proceeding which may adversely affect the ability of Applicant to perform any of its obligations under and contemplated by the NOFA.

8.1.3 Fees

8.1.3.1 First 5 LA Capital Loan

Upon notification of the First 5 LA funding award, all Applicants must pay a non-refundable deposit of $5,000 within 60 days from date of notification to First 5 LA or its designee. Furthermore, First 5 LA will assess a one-time compliance monitoring fee of at least $511 per assisted unit (minimum of $5,000). The per unit fee may be adjusted annually based on the Consumer Price Index at the time of loan closing. The $5,000 deposit will be credited against the full monitoring fee due. The balance of the monitoring fee must be paid prior to disbursing the public funds.

8.1.3.2 Tax-exempt Bonds

When planning to use a tax-exempt bond financing, Applicants should include the monitoring fee in the pro forma cash flows. The bond monitoring fee for bonds issued by the Housing Authority of the County of Los Angeles (HACoLA) is 0.00125 of the initial bond allocation amount paid on annual basis for the term of project affordability. The monitoring fee may be waived if the project is also paying HACoLA for compliance monitoring of a density bonus.
8.1.3.3 Material Change

A written notification to First 5 LA of a material change made to the project after receiving a funding award must be accompanied by a non-refundable deposit of $2,000. The Applicant will be charged $94.00/hour for incurred staff time or consultant’s costs to re-evaluate and re-underwrite the project. If staff time and consultant cost exceed the $2,000 non-refundable deposit, the balance owed must be paid prior to the execution of the loan agreement. Please see Section 9.3 regarding material changes. Additional requirements may also be required as set forth in section 9.10.

8.1.3.4 Changes to Standard Loan Documents

If changes and modifications are requested to the loan documents and review by an outside consultant is necessary, First 5 LA or its designee shall have the right, in its sole discretion, to charge for this review and input. The Applicant will be charged the actual cost for incurred consultant’s costs. If consultant cost exceeds the $2,000 non-refundable deposit, the balance owed must be paid prior to the execution of the loan agreement.

8.2 Rental Assistance & Supportive Service Funds

8.2.1 Contract Term

Grant Agreements and/or contracts for rental assistance and supportive service funding are expected to commence upon First 5 LA Commission approval and continue for two years. First 5 LA retains the option to renew or extend the agreement with the contractor, subject to satisfactory contractor performance as described below, available funding, and ongoing need.

8.2.2 Payment Process

The payment of funds for supportive services and rental assistance will be on the basis of monthly reimbursements. Applicants that receive funding will be required to submit invoices with documentation of eligible expenses and can expect to receive reimbursement within 30 days of the receipt of invoice.

8.2.3 Contract Monitoring

At the end of the contract, First 5 LA will conduct an evaluation of the Contractor’s performance.

First 5 LA or its designee may conduct evaluations of the Contractor’s performance during the term of the contract. Evaluations will be based on a number of criteria, including, but not limited to, the quality of the work product or services provided, the timeliness in reporting and invoicing, the Contractor’s compliance with budget
requirements, the expertise of personnel that the Contractor assigns to the contract, documentation of client eligibility and achievement of contract goals.

8.3 All Projects

8.3.1 Data Collection, Reporting & Evaluation

All applicants receiving funding must collect and report to First 5 LA data on the characteristics, service utilization, and outcomes for families. Additionally, First 5 LA will coordinate for data reporting through the Homeless Management Information System (HMIS) of the local Continuums of Care.

8.3.2 Legal Compliance

Applicants shall comply with any and all Federal, State or local laws and licensing regulations including but not limited to Federal HIPPA regulations and State of California Welfare and Institutions Code Section 5328 regarding confidentiality.

In no event shall Applicant or its officers, employees, agents, subcontractors or assignees supplant state, county, local or other governmental General Fund money with First 5 LA funds for any purpose.

9 Administrative Provisions

9.1 First 5 LA Discretion

First 5 LA reserves the right in its sole discretion to disqualify any application which is incomplete, out of order, has inadequate number of copies, lack required original attachments, or has other content errors, inconsistencies, misrepresented information or deficiencies.

Further, First 5 LA reserves the right to withdraw this NOFA at any time without prior notice.

9.2 Bond Issuance

Applicants for the Capital Development Fund are strongly encouraged to utilize the Housing Authority of the County of Los Angeles (HACoLA) as a bond issuer for tax-exempt bond projects that meet either of the following criteria:

- The project is located in the unincorporated county.
- The project is located in a municipality that has declined or is unable to issue bonds.

Applicants are encouraged to contact Jewel Warren-Reed, Bond Programs Supervisor, at (323) 838-7768 to explore the feasibility of HACoLA acting as bond issuer.
9.3 Notification Regarding Material Changes

First 5 LA must receive written notice of material changes made to the project following submittal of the application. Material changes include, but are not limited to, alterations to the architectural design, supportive services, development team, or financing structure. Such changes must receive the written approval of First 5 LA. If the Applicant undertakes material changes without approval, First 5 LA or its designee reserves the right in its sole discretion to withdraw any funding commitment. Under no circumstance will changes be allowed during the NOFA review process.

9.4 Events of Default

Under the terms of the documents for any grant made pursuant to this NOFA, the following events will cause the First 5 LA or its designee to declare the Developer or Service provider in default. This list is representative and not all-inclusive.

- Failure to abide by the terms of the loan or grant agreement
- Breach of covenants, including affordability requirements
- Failure to maintain the property
- Failure to maintain the program
- Failure to conform with affirmative action, equal opportunity or CBE (Community Business Enterprise) requirements
- Failure to submit financial statements certified by a certified public accountant.
- Failure to abide by prevailing wage requirements (if applicable)
- Failure to maintain appropriate insurance coverage
- Failure to abide by development and/or construction schedules
- Bankruptcy, dissolution, or insolvency of the agency or developer

9.5 Construction Signage

Projects receiving funding from First 5 LA must acknowledge this assistance with signage on the site as required by First 5 LA staff. Upon award of financing, Applicants must contact First 5 LA staff regarding implementation of construction and affirmative marketing signage requirements.

9.6 Cost of Application Preparation

All costs of application preparation shall be borne by the Applicant. In no event shall First 5 LA be liable for any pre-contractual expenses incurred by the Applicant in the preparation and submission of the application.
9.7 Application

Once submitted, all applications become property of First 5 LA and may become public records. First 5 LA is not liable for the disclosure of any information contained in an application.

9.8 Conditional Funding Awards

If the Applicant, any of its principals, or any of its partners have been deemed non-performing with respect to underwriting, compliance, or other requirements on any projects funded by First 5 LA or its designee, such Applicant’s application that otherwise meets all criteria for funding may be recommended for conditional approval by the First 5 LA Commission.

First 5 LA or its designee will make determinations of such nonperformance at their sole discretion. A conditional approval may be rescinded by First 5 LA if the developer or service provider, any of its principals, or any of its partners fails to cure any non-performance in a manner and time frame acceptable to First 5 LA.

9.9 Noncompliant / Debarred Contractors

Applications may be withheld from recommendation to the First 5 LA Commission in the event that the developer, service provider, its principals, or its partners is currently in arrears or delinquent in payment of debt to the CDC, is deemed to be noncompliant with the requirements of a CDC agreement, or is listed on the County of Los Angeles or Department of Housing and Urban Development (HUD) debarment list.

9.10 Changes to Standard Loan Documents

First 5 LA strictly limits changes to its standard loan agreement and attendant documents. Only the sections identified in the standard “No Change” letter, which accompanies the grant agreement, may be negotiated and modified.

9.11 Insurance Requirements

Applicants awarded an allocation must document that they procure and maintain, at their own expense, for the duration of their agreement with First 5 LA, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work by the Applicant, its agents, representatives, employees, or subcontractors. The insurance requirements are included in the sample loan and contract documents in Appendices 16 and 21.
9.12 Affirmative Marketing

All projects receiving funding under the Capital Development and Gap Financing Funds must adhere to the affirmative marketing requirements found in Appendix 13.

9.13 Local Hiring (Unincorporated Area Projects Only)

Sponsors of projects located in the Unincorporated County with a Total Development Cost of $10 million or more will be required to report on the efforts to hire local workers during the construction of the project. This information will be made available to the County Board of Supervisors and to the general public. Information collected will include but is not limited to: the proximity of workers’ residence to the project, the unemployment rates in the Zip codes where workers reside, union participation of workers, the percentage of subcontractors that have Small Business Enterprise status, and data on the ethnicity of the workforce. Sponsors will be required to provide reports to First 5 LA or its designee on a monthly basis throughout the term of construction. See Appendix 22 – “Local Hiring Reporting Requirements” for details.

9.14 Listing of Rental Properties

Applicants must list all their affordable rental units on the Los Angeles County Housing Resource Center website at http://housing.lacounty.gov upon receipt of an allocation.

10 Threshold Requirements

Applicants must meet the following threshold criteria applicable to the type of funding that is being requested at the time of submission. Failure to submit all required attachments and original documents will constitute an incomplete application and may be grounds for disqualification. If First 5 LA or its designee deems that the application does not meet all requirements, the application shall not receive further consideration. First 5 LA retains the right in its sole discretion to approve or reject Applicants based on past performance. The documentation required to meet each threshold criterion is detailed in the Application Checklist in Appendix 1 (Application for Capital Development Fund and Gap Financing Fund) or Appendix 2 (Application for Rental Assistance and Service Fund).

10.1 All Applicants

10.1.1 Applicant Status

- **Nonprofit**: Nonprofit Applicants must demonstrate that their mission includes the development, ownership, and/or management of affordable housing and/or providing social services. Nonprofit Applicants must also have a 501(c) (3) or (4) designation from the IRS and submit organizational documents such as
articles of incorporation and by-laws. Successful Applicants will be required to comply with the applicable provisions of the Non-Profit Integrity Act of 2004.

- **For-Profit:** Each for-profit organization that is part of the proposed capital development entity must submit organizational documents to support the entity’s legal status, including articles of incorporation, by-laws, and a fictitious business name statement.

Further, all Applicants and their partners, principals, and affiliates must disclose any bankruptcy, default, or foreclosure of any kind and any event that could result in a bankruptcy, default, or foreclosure of any kind. Failure to disclose an actual or potential bankruptcy, default or foreclosure of any kind will result in the rejection of an application. Furthermore, First 5 LA’s funding commitment may be withdrawn if a bankruptcy, default, or foreclosure of any kind is discovered after an award is approved by the First 5 LA Commission. Any violation of the terms, conditions, and/or covenants of any contractor agreement, whether or not a Notice of Default has been recorded, is deemed a default.

**10.1.2 Agency Involvement in Litigation and/or Contract Compliance Difficulties**

Please read the information on the required Agency Involvement in Litigation and/or Contract Compliance Difficulties form found in Section A.7 (Appendix 1 and 2) thoroughly and include one (1) original SIGNED with BLUE INK copy in the hard copy application binder. If you checked Yes to any of the questions on this form, please explain whether this will impact the project on this NOFA.

**10.1.3 Signature Authorization Form**

Refer to Appendix 3 Signature Authorization Form and provide one (1) original SIGNED with BLUE INK for Section A.8 (see Appendices 1 and 2). This form is required in order to verify signature authority to enter into contractual agreement with First 5 LA. If not outlined in the Bylaws, a Board Resolution or Partnership Agreement must be submitted, as applicable, that indicates signature authority. Applicants must submit one original form signed in blue ink.

**10.1.4 Consistency with Consolidated Plan and Local Support Letter**

Applications must include a certification that the proposed project or program is in compliance with the local jurisdiction’s Consolidated Plan. Additionally, all applications (with the exception of applications for projects located in unincorporated areas) must include evidence of support signed by a non-elected representative (such as the City Manager or Director of Housing) of the jurisdiction in which the project or program is located. (See Worksheet A.9 and A.10 of Appendix 1 or Appendix 2).
10.1.5 Supportive Services

All Applicants must provide supportive services and will receive points for an effective and appropriate services plan (see Section 11.5, “Supportive Services Scoring Criteria”). Services should be provided to assist families in moving toward self-sufficiency and preparing for independent living once no longer eligible for First 5 LA funds. See Appendix 4 for minimum service requirements.

10.2 Capital Development and Gap Financing Funds

10.2.1 Zoning

Applicants must demonstrate that the project site’s zoning at the time of application will permit construction of the development as proposed. If this is not possible, Applicants must demonstrate to First 5 LA’s satisfaction that all discretionary land use approvals can be granted within 270 days of the application date.

10.2.2 Site Control

Applicants must possess site control and demonstrate that it will continue for six months following the application submission date. Site control must be in the form of fee title (as demonstrated by a grant deed or quitclaim deed), an option agreement, a purchase and sale agreement, a long-term leasehold (documentation must specify lease expiration date) or an exclusive right to negotiate. An option agreement, purchase and sale agreement, or an exclusive right to negotiate must include an extension provision. Site substitutions will not be permitted. In the case of a publicly-owned site, a valid disposition and development agreement (DDA) or owner participation agreement (OPA), will be acceptable notwithstanding the timeframe above, and provided that such DDA or OPA has been approved by the relevant public entities, including the State Dept. of Finance, as an “enforceable obligation” under applicable law related to the dissolution of redevelopment agencies.

Note: The right to purchase land through foreclosure is not considered a valid form of site control under this NOFA. This may be waived for a site acquired through the Neighborhood Stabilization Program.

10.2.3 Environmental Reports

10.2.3.1 Phase I and II

Phase I reports prepared in accordance with ASTM E-1527-05 standards must be submitted with the application. This Phase I report or its update may not be dated any earlier than six months prior to the date of application submittal. If the Phase I is more than 6 months old, it must be submitted with an Update Report. If a Phase II is required or recommended per the Phase I, the Phase II must be
submitted for review and approval by First 5 LA or its designee at the time of application submittal. Applicants are encouraged to submit Phase I Reports as early as possible prior to application submittal. Electronic copies of these reports must be included in the CDs. Hard copies are not required.

10.2.3.2 Lead-Based Paint and Asbestos Surveys

Lead-Based Paint and Asbestos surveys must be provided if existing structures are older than 1978. The survey reports shall comply with current applicable federal, state and local regulations and requirements, including the National Emissions Standards for Hazardous Air Pollutants (NESHAPS) 40 CFR 61, Subpart M, Cal-OSHA Rule 1529, as well as South Coast Air Quality Management District (AQMD) requirements. The Lead Based Paint Comprehensive Survey shall also comply with current federal, state and local regulations and requirements, including the U.S. Department of Housing and Urban Development (HUD) 24 CFR Part 35, Lead-Based Paint Poisoning Prevention in Certain Residential Structures, the United States Environmental Protection Agency (EPA) 40 CFR 745, Lead; Renovation, Repair, and Painting Program, Federal OSHA regulations at 29 CFR Section 1926.62, Lead Exposure in Construction, Interim Final Rule), and California Code of Regulations Title 8, Section 1532.1, Cal/OSHA Construction Safety Orders, Lead.

10.2.3.3 Termite Report

A termite report for acquisition with substantial rehabilitation projects is required and can be dated no earlier than six months prior to the application deadline.

10.2.4 Article 34, California Constitution

Applications must demonstrate that local authority under Article 34 of the California Constitution has been approved in the project’s jurisdiction. If the project is in an incorporated city, the Applicant needs to request an Article 34 letter from the city. Consult the City Attorney or Planning Department of the local jurisdiction for further information.

If the city does not have Article 34 authorization, provide a letter from the city attorney stating Article 34 does not apply and indicate why.

If the project is in an unincorporated area, the Applicant must submit a written request to blanca.delacruz@lacdc.org asking for Article 34 Authority.

10.2.5 Affordability

Permanent housing developments must adhere to income and rent restrictions that will extend for a minimum of 30 years. Considerations for reduction in terms of affordability will be made only when necessary to ensure compatibility with
conflicting state or federal guidelines. First 5 LA will make this determination in its sole and absolute discretion during the project underwriting phase. The minimum affordability requirements are as follows:

- Between 35% and 50% of total units at or below 30% AMI

Under no circumstances will First 5 LA funds assist units targeted to households above 30% AMI.

**10.2.6 Rents**

Rents for all units reserved for the target population must not exceed the California Tax Credit Allocation Committee (TCAC) limits for households at or below 30% AMI, or the rents dictated by the of the most restrictive funding source.

**10.2.7 Relocation**

Projects that involve the permanent displacement of existing tenants will not be considered for funding under this NOFA. All Applicants must complete the Relocation Questionnaire (See Worksheet A.17 of Appendix 1).

**10.2.8 Sustainable Building Methods**

New Construction and Acquisition with Substantial Rehabilitation projects must incorporate a minimum level of building performance and sustainable design by adhering to the Sustainable Building Method requirements included in Appendix 11-Architectural Design Guidelines. Applicants must certify the required sustainable building methods are integrated in the proposed design. All projects must provide a conceptual Title 24 Energy Compliance report created by a Certified Energy Plans Examiner (CEPE) that includes CR-1R, UTIL-1R, and ECON-1 reports demonstrating the design will exceed Title 24 by at least 15%. Substantial Rehabilitation projects must demonstrate energy compliance using Energy Pro (or simulation software approved by the CEC), prepared by a CEPE professional, and must demonstrate that proposed improvements will result in a reduction in energy usage of at least 20% from tabulated baseline (assuming improvements meet minimum CEC requirements to allow the original building to be used as the energy use baseline). Projects that fail to demonstrate they will meet First 5 LA’s minimum building performance requirement will not pass threshold.

**10.2.9 Acquisition Only (vacant buildings)**

Applicants that are requesting funding for Acquisition of buildings that need little to no repairs must provide the following:

- Certificate of Occupancy
- A Physical Needs Assessment report dated no earlier than six months prior to the application deadline.
10.3  **Gap Financing Fund Only**

Applications for the Gap Financing Fund must provide the following:

- Evidence of approval of any proposed modifications in project financing, development, income and rent levels, service changes and target population by all existing lenders and investors.
- Recorded Notice to Proceed
- Most recent approved Application and Certificate for Payment

10.4  **Rental Assistance and Service Fund Only**

10.4.1  **Accounting Principles**

The Applicant must complete the attached Financial Checklist (Appendix 7) and be able to provide evidence of an adequate accounting system established in accordance with generally accepted accounting principles and any other accounting standards required by First 5 LA or its designee. All awards will be conditional subject to verification of adequate accounting system capacity by a site visit by First 5 LA or its designee prior to the disbursement of any funds.

Applications that do not include all of the above documentation will not pass threshold and will receive no further consideration.
### Scoring Criteria

<table>
<thead>
<tr>
<th>Categories</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
<th>Rental Assistance and Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development Feasibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Readiness</td>
<td>275</td>
<td>150</td>
<td>140</td>
</tr>
<tr>
<td>Financial Feasibility</td>
<td>85</td>
<td>85</td>
<td>N/A</td>
</tr>
<tr>
<td>Entitlements</td>
<td>40</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Development Team Capacity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Experience</td>
<td>20</td>
<td>40</td>
<td>N/A</td>
</tr>
<tr>
<td>Long-term Ownership Experience</td>
<td>25</td>
<td>25</td>
<td>N/A</td>
</tr>
<tr>
<td>Property Management Experience</td>
<td>30</td>
<td>30</td>
<td>N/A</td>
</tr>
<tr>
<td>Architect Experience</td>
<td>10</td>
<td>10</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Supportive Service Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead Service Provider Experience/ Capacity</td>
<td>90</td>
<td>100</td>
<td>300</td>
</tr>
<tr>
<td>Supportive Services Plan</td>
<td>140</td>
<td>140</td>
<td>300</td>
</tr>
<tr>
<td>Services Budget</td>
<td>90</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Family Involvement</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Property Management Team &amp; Plan</td>
<td>50</td>
<td>50</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>High-Need Service Planning Areas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Proximity to Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proximity to licensed child care</td>
<td>50</td>
<td>100</td>
<td>N/A</td>
</tr>
<tr>
<td>Proximity to community health clinic</td>
<td>25</td>
<td>50</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>LACHIF</strong></td>
<td>10</td>
<td>10</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>
11.1 Minimum Score Required

Applications will be scored using the criteria below. **Projects must score a minimum of 70% of the total possible points in the categories of Development Feasibility and Supportive Services, as well as of the total possible points overall to be considered for an award.**

<table>
<thead>
<tr>
<th>70% minimum for each category</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
<th>Rental Assistance and Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Feasibility</td>
<td>287</td>
<td>164.5</td>
<td>N/A</td>
</tr>
<tr>
<td>Supportive Services</td>
<td>266</td>
<td>287</td>
<td>532</td>
</tr>
<tr>
<td>Total Overall Points</td>
<td>700</td>
<td>700</td>
<td>700</td>
</tr>
</tbody>
</table>

11.2 Development Feasibility

11.2.1 Readiness

Points will be awarded to projects based on their degree of readiness, as the goal of these funds is to assist families in getting housed as soon as possible.

11.2.1.1 Capital Development Fund

Points will be awarded based on the commitment of construction and permanent financing and long-term operating subsidies.

11.2.1.2 Gap Financing Fund

Gap Financing Fund projects requesting capital funds will be awarded points based on the percentage of construction completed at the time of application, as evidenced by the most recent approved construction draw.

11.2.1.3 Rental Assistance and Service Fund

Points will be awarded if the Applicant can demonstrate the ability to quickly place families by demonstrating an existing supply of master-leased units and/or supplying letters of interest from landlords or property managers offering Applicant a first right of refusal to rent units as they become vacant.
<table>
<thead>
<tr>
<th>Description</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Development Fund</strong></td>
<td></td>
</tr>
<tr>
<td>Project is acquisition-only to be ready for occupancy within 6 months AND long-term operating subsidy committed</td>
<td>275</td>
</tr>
<tr>
<td>All other construction and permanent financing sources committed AND long-term operating subsidy committed</td>
<td>200</td>
</tr>
<tr>
<td>All other construction and permanent financing sources committed with the exception of Low-Income Housing Tax Credits AND long-term operating subsidy committed</td>
<td>100</td>
</tr>
<tr>
<td>Local permanent financing subsidy committed</td>
<td>50</td>
</tr>
<tr>
<td><strong>Gap Financing Fund</strong></td>
<td></td>
</tr>
<tr>
<td>Construction is at least 75% complete AND long-term operating subsidy committed</td>
<td>150</td>
</tr>
<tr>
<td>Construction is between 50% and 75% complete</td>
<td>100</td>
</tr>
<tr>
<td>Construction is between 25% and 50% complete</td>
<td>50</td>
</tr>
<tr>
<td><strong>Rental Assistance and Service Fund</strong></td>
<td></td>
</tr>
<tr>
<td>Existing master-leased units / landlord letters of interest</td>
<td>140</td>
</tr>
</tbody>
</table>

### 11.2.2 Financial Feasibility

Proposed Capital Development Fund and Gap Financing Fund projects must demonstrate financial feasibility for both development and operations. The following criteria will be considered in this assessment:
### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasonableness of development and operating costs, which must be consistent with current market conditions for comparable projects</td>
<td>15</td>
</tr>
<tr>
<td>Reasonableness of financing assumptions*</td>
<td>15</td>
</tr>
<tr>
<td>Viability of project operations as demonstrated by cash flow analysis</td>
<td>20</td>
</tr>
<tr>
<td>Consistency with underwriting criteria specified in this NOFA</td>
<td>15</td>
</tr>
<tr>
<td>Compatibility among proposed funding sources and consistency with regulations governing each source</td>
<td>20</td>
</tr>
<tr>
<td>Max Points</td>
<td>85</td>
</tr>
</tbody>
</table>

*Applications in which more than 5% of Total Development Cost is proposed to come from uncommitted organizational fundraising will receive zero points in the “Reasonableness of financing assumptions” category.

#### 11.2.3 Entitlements

Points will be awarded for Capital Development Fund projects if the current zoning will accommodate the project as proposed AND all necessary discretionary approvals (e.g., variances, CUP, zone change, plan amendment, subdivision map, etc.) have been obtained.

<table>
<thead>
<tr>
<th>Description</th>
<th>Max Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>All entitlements in place</td>
<td>40</td>
</tr>
</tbody>
</table>

#### 11.3 Development Team Capacity

Projects applying under the Capital Development or Gap Financing Funds shall be awarded for the development team’s capacity, experience, and track record in completing, owning, and operating developments of a size, type, complexity, and target population similar to the proposed development. Joint ventures of experienced and inexperienced members of the development team are acceptable.

#### 11.3.1 Development Experience

Points will be awarded based on the experience of the development entity. Limited partnerships will be evaluated on the qualifications of the general partners. Single-purpose nonprofit corporations (those formed solely for the purpose of proposed project) will be scored on the experience of the development team members responsible for the primary development and ownership tasks.
<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Projects</th>
<th>Points</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Development Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable, deed-restricted housing projects completed by</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>development entity in a principal role*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4+</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5-8</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9-12</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13+</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap Financing Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>6</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4+</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 – 6</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7+</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Principal roles: developer, co-developer, or development consultant (if responsible for entire development process)

### 11.3.2 Long-term Ownership Experience

1) Points will be awarded based on the experience of the entity that will bear day-to-day ownership responsibilities for the project. In the case of limited liability corporations and limited partnerships, points will be based on the experience of the person, company, or organization exercising these responsibilities.

<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Projects</th>
<th>Points</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable, deed-restricted housing projects in operation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>6</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4+</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 – 6</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7+</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2) A scoring alternative is available in the event that an inexperienced non-profit partner is collaborating with an experienced developer entity in a Special Needs project. Points will be awarded based on the experienced entity’s commitment to act as long term owner for 10 years. It is expected that the experienced entity will mentor the inexperienced entity in long-term ownership responsibilities during this period. An experienced entity is defined as having ownership experience in at least four (4) projects of similar type and target populations. An inexperienced entity is defined as having zero (0) ownership experience in similar type and target population.
<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Years Commitment</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experienced developer entity’s commitment to act as long-term owner</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

### 11.3.3 Property Management Experience

Points will be awarded based on the experience and qualifications of the property management company or its individuals in managing other deed-restricted affordable housing projects of similar size and type.

<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Projects</th>
<th>Points</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable, deed-restricted housing projects under contract</td>
<td>1 – 3</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>4 – 8</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9+</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

### 11.3.4 Architect Experience

The architect’s experience will be evaluated based on: (a) resumes (checklist item H.1); (b) Experience Verification form for Completed Projects: Architect (Worksheet H.2); and (c) built work (checklist item H.3). These submittals are required. Two (2) negative points will be incurred for each missing item and may result in a lower score as a result of not being able to evaluate the architect’s experience fully.

Up to twenty (20) points will be awarded for the architect’s track record. The score is broken down into three areas of experience: affordable housing, multifamily housing, and sustainable housing development. Affordable housing projects must contain units restricted by a covenant. For the purpose of this NOFA, multi-family projects shall consist of 5 units or more. Experience in sustainable development includes designing housing projects, of any type, that integrate advanced sustainable building practices, including earning a green building certification. As part of the built work submittal, provide a one-page overview for up to three (3) sustainable developments highlighting the prominent sustainable elements or provide verification that the project was either completed or is registered with a green building certification program.
<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Projects</th>
<th>Points</th>
<th>Max</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable housing projects completed</td>
<td>1 – 3</td>
<td>2</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>4 – 6</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7 +</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-family projects completed</td>
<td>1 – 3</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 – 6</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7 +</td>
<td>4</td>
<td></td>
<td></td>
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<tr>
<td>Sustainable Housing Developments</td>
<td>1 – 2</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3+</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 11.4 Design Submittals

The Application Checklist identifies in Section H Design & Construction all the required submittals needed to evaluate the proposed design. Under this category zero (0) points will be awarded for each required submittal. However two (2) negative points will be assessed for each missing item.

The design submittals will be evaluated to inform the overall understanding of the proposed project. The design evaluation and an accompanying Design Compliance Review Report, in Excel format, will be provided to projects that are recommended for an award.

Projects approved for a funding award will be subject to a comprehensive Design Compliance Review process that must be substantially completed prior to the start of construction. Funding disbursement will depend on the Applicant’s resolution of design issues. Projects are expected to demonstrate compliance with the Fundamental Design Criteria, Sustainability Building Methods, CPTED, accessibility requirements, including applicable building codes. Compliance with these requirements shall be documented throughout the project using the Design Compliance Review Report tool. The project team will be expected to demonstrate compliance unless a formal waiver is received.

### 11.5 Supportive Services

Supportive services appropriate for the target population must be provided. Points will be awarded for the quality of the supportive services program, including the lead service provider’s experience, services plan, services budget, family involvement, and property management.

The lead service provider should have a track record in providing services in Los Angeles County and have knowledge of service providers in the community where the project is located.
The services described in the plan should maximize independence, be flexible and responsive to tenant needs, be available as and when needed, and be accessible to tenants. Services should aim to prepare families for independent living. It is highly recommended that services be provided on-site or using a mobile model. Supportive services should be provided by staff trained in working with the target population. Applicants should have cooperative linkages to enhance the provision of supportive services that are not offered by the lead service provider’s staff, such as linkages to affordable child care providers, child development centers, DCFS-contract agencies, and Federally Qualified Health Centers.

Lack of clear specific response to all questions in the NOFA could result in significant point deductions. Responses to questions under J.1 of Appendix 1 or B.2 of Appendix 2 comprise the supportive services plan and are limited to seven pages. Any text or information beyond the seven pages will not be considered or reviewed.

**11.5.1 Lead Service Provider Capacity**

Points will be awarded for the experience of the project’s lead service provider in providing services and permanent housing placement to homeless and at risk families. This experience must be documented by the resume of the lead service provider as well as the resumes for the principals of the lead service provider.

Applicants for the Rental Assistance and Service Fund will be evaluated on experience providing supportive services and housing location, rental assistance and/or master-leasing. Points will not be awarded for experience working outside Los Angeles County.

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
<th>Rental Assistance and Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience providing services for target population</td>
<td>90</td>
<td>100</td>
<td>300</td>
</tr>
</tbody>
</table>

**11.5.2 Supportive Services Plan**

Points will be awarded for the quality of the supportive services plan. The supportive services plan consists of responses to questions under Section J.1 of Appendix 1 or Section B.2 of Appendix 2. Other documents that will be considered in assessing the supportive services plan are:

- Supportive Services Delivery Chart (J.6 of Appendix 1; B.3 of Appendix 2),
- Supportive Services Staffing Chart (J.7 of Appendix 1; B.4 of Appendix 2),
- Organizational chart (J.4 of Appendix 1; B.6 of Appendix 2), and
• Job descriptions and resumes (J.5 of Appendix 1; B.5 of Appendix 2).

The Supportive Services Plan points will be allocated by these evaluation factors:

• **Types and Levels of Supportive Services** - Extent of services provided as described in Appendix 4; description of service delivery model and coordination of services; and accessibility of services, including the breadth of services provided on-site and off-site, specific transportation plans to provide access to off-site services, and available hours of services.

• **Resident Outreach** - Plans to engage clients in supportive services from the application stage and throughout their tenancies.

• **Staffing** – Appropriateness of supportive services staffing levels, qualifications and/or experience levels, and job duties of positions to project size and target population. All Capital Development and Gap Financing Projects must have a minimum ratio of one Full-Time Equivalent Resident Service Coordinator or Case Manager for every 50 families. Note that this is a minimum standard, and Projects should provide services at a level necessary to meet the needs of the target population.

• **Linkages** - Range and appropriateness of partnering agencies providing relevant child and family services (including accessible, affordable child care); and percentage of services covered by signed commitments. Applicants should demonstrate linkages to legal assistance organizations, as First 5 LA funds may not be used to pay legal fees for eviction prevention. Note the required components of commitments outlined in Section 11.5.3.
### Capital Development & Gap Financing Fund

<table>
<thead>
<tr>
<th>Types and Levels of Supportive Services</th>
<th>Service delivery model / coordination of services</th>
<th>10</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Services provided</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Accessibility (on- or off-site; transportation to off-site; available hours)</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Resident Outreach</td>
<td>Engaging residents in services</td>
<td>10</td>
<td>N/A</td>
</tr>
<tr>
<td>Staffing</td>
<td>Staffing levels; qualifications/experience; job responsibilities</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Linkages</td>
<td>Appropriate partnering agencies</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Percent of services covered by signed commitments</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Max Points</td>
<td></td>
<td>140</td>
<td>300</td>
</tr>
</tbody>
</table>

### 11.5.3 Services Budget

The proposed budget must indicate that the level of funding is adequate for the types and levels of services provided. Points will be awarded based on how accurately the budget reflects the proposed services plan, plan for filling service funding gaps, and the percentage of funding committed as demonstrated by signed agreements.

In order to be considered valid, the commitment letters or MOUs must be on agency letterhead and signed by an authorized staff member. The documents must reference the proposed project, include the dollar value, the start date, the term, and describe the services and/or staffing to be provided.

An agreement between the developer and lead service provider must be included. If the service provider will be using its own funds, the letter should indicate its capability and commitment.

The services budget section of the application consists of:
- Supportive Services budget (J.8)
- Supportive Services Staffing Chart (J.7), and
- Commitment letters and/or MOUs (J.9).
<table>
<thead>
<tr>
<th>Description</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
<th>Rental Assistance and Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suitability of budget</td>
<td>45</td>
<td>45</td>
<td>75</td>
</tr>
<tr>
<td>Plan to fill service funding gaps</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Percentage committed</td>
<td>40</td>
<td>50</td>
<td>65</td>
</tr>
<tr>
<td>Max Points</td>
<td>90</td>
<td>100</td>
<td>150</td>
</tr>
</tbody>
</table>

### 11.5.4 Family Involvement

Points will be awarded for services plans that demonstrate how families will be involved in decision-making related to service delivery and, if applicable, building operations, including how feedback will be gathered and how suggestions and complaints will be handled.

<table>
<thead>
<tr>
<th>Description</th>
<th>All Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Involvement</td>
<td>10</td>
</tr>
</tbody>
</table>

### 11.5.5 Property Management Team and Plan

Points will be awarded based on the experience of the property management team in managing projects that serve a similar target population and the appropriateness of the plan. The plan will be assessed for its applicability to the proposed project and target population.

Ensure that the property management plan addresses all of the following:

- Applicant eligibility;
- Applicant screening standards (including criminal background checks and screening for registered sex offender status);
- Policies and procedures addressing how Project will remain in compliance and ensure a smooth transition when a family has “Aged Out”, as described in Section 2.2 of this NOFA;
- Confidentiality;
- Substance use policy;
- Communication between property manager and services coordinator/ case manager;
- Eviction policies;
- Eviction prevention procedure;
• Process for assisting tenants to apply for utility rate assistance programs, if available;
• How Applicants and residents will be assisted in making reasonable accommodation requests to ensure that persons with disabilities have access to and can maintain housing; and
• Property management and maintenance staff will be trained in the use of a Green Operations and Maintenance Manual.

Ensure consistency between the property management plan and other assertions throughout the services plan (e.g. outreach to Applicants, eviction policies, etc.).

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital Development and Gap Financing Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management team experience</td>
<td>20</td>
</tr>
<tr>
<td>Appropriateness of management plan</td>
<td>30</td>
</tr>
<tr>
<td>Max Points</td>
<td>50</td>
</tr>
</tbody>
</table>

*Note: The Property Management Experience category (Section 10.3.3) rewards experience in the management of affordable housing. This 10.5.5 category awards further points for managing developments that serve the targeted population and the quality of the management plan.*

### 11.6 High-Need Service Planning Areas

Points will be awarded to projects/programs operating in Service Planning Areas (SPAs) estimated to have the highest percentage of homeless children prenatal to five years.

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
<th>Rental Assistance and Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPA 6 (South)</td>
<td>50</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>SPA 4 (Metro) or SPA 8 (South Bay)</td>
<td>25</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

### 11.7 Proximity to Services

#### 11.7.1 Child Care

Points will be awarded to Applicants for the Capital Development and Gap Financing Funds based on the project’s proximity to licensed child care facilities.
Applicants may contact First 5 LA or its designee to determine their sites distance from a licensed facility.

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project is located within ¼ mile of a licensed child care facility</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Project is located within ½ mile of a licensed child care facility</td>
<td>25</td>
<td>50</td>
</tr>
</tbody>
</table>

11.7.2 Health Clinic

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital Development Fund</th>
<th>Gap Financing Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project is located within ¼ mile of a community health clinic serving families</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Project is located within ½ mile of a community health clinic serving families</td>
<td>15</td>
<td>25</td>
</tr>
</tbody>
</table>

11.8 Los Angeles County Housing Innovation Fund (LACHIF)

Ten (10) points will be awarded to Capital Development and Gap Financing projects that are utilizing LACHIF funding. The project must provide a letter from the funding intermediary evidencing that the loan has been funded.

12 Feasibility Criteria (Capital Development & Gap Financing Funds)

The criteria listed below will be used to assess the financial and development feasibility of each project requesting funds under the Capital Development or Gap Financing Funds, including portions of the California Tax Credit Allocation Committee’s (TCAC) Minimum Underwriting Criteria that shall be used by in underwriting applications. The Financing Underwriting Guidelines are included as Appendix 9.

12.1 Financial Feasibility

Proposed projects must demonstrate financial feasibility for both development and operations. The assessment will be based on the scoring criteria listed in Section 10.2.1.

12.2 Financial Statements

Certified 3rd party audited financial statements (which include balance sheet and operating or income & expenses statement) for the most recent two (2) years (2010 and
2011) for all developer entities must be submitted. If statements are older than 12 months at the time of application, include an unaudited statement less than 9 months old.

In the event certified 3rd party audited financial statements are unavailable for any other Applicant entity, submit copies of filed income tax returns for the most recent two (2) years (2010 and 2011) AND IRS Form 4506 must be completed and submitted (http://www.irs.gov/pub/irs-pdf/f4506t.pdf).

In the event certified 3rd party audited financial statements are unavailable for non-profit organizations, submittal of IRS Form 990 for the most recent two (2) years is required under E.4 and an explanation must be included stating that this is the case.

12.3 California Tax Credit Allocation Committee Minimum Underwriting Criteria

The TCAC underwriting standards are located in Section 10327 of the TCAC regulations (California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327). The regulations are available at: http://www.treasurer.ca.gov/TCAC/programreg/regulations.asp.

12.4 Minimum Operating Expenses

In addition to the minimum operating expenses standards published by TCAC, if the application contains an operating cost lower than those in the chart below the Applicant must justify the lower expense. Justification must at least include the last two year’s audited financial statements of two properties currently in operation which are owned and/or operated by the developer and are similar in size, type and location to the subject property. First 5 LA reserves the right to request additional documentation for approved projects during the underwriting phase.

Note that this operating expense standard EXCLUDES the following:
  1) replacement/operating reserves
  2) debt service
  3) social service coordinator
  4) partnership management fee
  5) deferred developer fee

However, unlike TCAC, the portfolio expenses include Property Taxes.

<table>
<thead>
<tr>
<th>Description</th>
<th>Family Units</th>
<th>Senior Units</th>
<th>Special Needs Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-15 units</td>
<td>$6,100</td>
<td>$7,000</td>
<td>$6,800</td>
</tr>
<tr>
<td>16-40 units</td>
<td>$6,900</td>
<td>$5,800</td>
<td>$7,400</td>
</tr>
<tr>
<td>41 + units</td>
<td>$6,000</td>
<td>$4,600</td>
<td>$5,200</td>
</tr>
</tbody>
</table>
12.5 Replacement Reserve

All projects shall comply with the Underwriting Guidelines in Appendix 9.

12.6 Partnership Management Fees

A maximum fee of $15,000 per year may be paid annually to general and/or limited partners in tax credit projects before payments of residual receipts. An escalation of 3.5% per year is allowed only in years 1-15, which represents the 15-year Tax Credit Compliance Period. Payments above this limit must be made out of cash flow after the payment of residual receipts.

12.7 Prevailing Wages

Section 1720 of the California Labor Code (as amended by S.B. 975 and S.B 972) requires payment of prevailing wages for certain projects. Applicant must provide an explanation in Section B.3.2.4 as to whether the project will comply with payment of State Prevailing Wages, especially if due to other agency’s funding sources requiring its payment. An attorney’s opinion must be included in Section K.3 if the project is exempt from State Prevailing Wages. An attorney’s opinion will still be required even if the project requires payment of Davis-Bacon Federal Wages.

12.8 Minimum Criteria for Supportive Services

The lead service provider must have at least 2 years experience in the provision of services to families with young children that are homeless or at risk of homelessness. The minimum service requirements are detailed in Appendix 4.

12.9 Service Coordination Costs

The cost of the Resident Services Coordinator may be paid from cash flow up to $50,000 per year. This amount is based on one full-time position, and will be reduced in proportion to full time equivalent (FTE) hours worked by Resident Services Coordinator. First 5 LA will determine, at its sole discretion, the reasonableness of these costs. Consideration is given to the client load and the expectations delineated in the service plan. The cost of service provision, however, may not be funded from cash flow or from capital financing sources.

The service coordinator, in addition to coordinating services provision for the building’s residents, advocates on behalf of the tenants with building owner, property manager, and third-party service providers to ensure that his/her needs are met and his/her ability to remain housed is not compromised. The service coordinator may take on a variety of roles and responsibilities, including but not limited to the following:

- Orienting and connecting new residents to services and activities available within the community;
Developing and maintaining resource guides for use by residents;
Developing and coordinating on- and off-site programs and activities for residents and their children;
Cultivating and nurturing relationships with third-party service providers, such as those oriented towards employment, mental health, substance abuse, physical health, education, and transportation;
Coordinating with the property owner and management on issues related to health and safety and building maintenance;
Maintaining confidential records of all residential transactions;
Facilitating and supporting tenant self-governance activities, such as tenant councils or residential management committees;
Monitoring residents’ cognitive or physical health status to recognize significant changes in residents’ services needs; and
Facilitating transitions to other care-oriented settings appropriate for the residents.

NOTE: This service is distinct from and should not be utilized in lieu of case management, which is typically responsible for individual client assessment and service plan development, counseling, assisting residents to apply for and obtain social services and other public benefits, monitoring progress, etc.

12.10 Appraisals

An appraisal performed by a qualified appraiser in conformance with the Uniform Standards Professional Appraisal Practice standards is required for all projects. The appraisal must indicate the Fair Market Value of the site as of a date that is within six months of executing the purchase contract and before construction or rehabilitation and without consideration of any financial implications of tax credits or project-based vouchers.

If the purchase price is not the same as the appraisal, include a justification of the reasonableness of the amount paid and document any special circumstances.

If acquisition funding or acquisition reimbursement is requested under this NOFA, the following also applies:

If the site was purchased, or there is an agreement establishing price, less than 12 months prior to the date the application is filed, please include the following:

1) Copy of a letter from the Applicant to the Seller advising:
   a. The Buyer does not have the power of eminent domain and will not acquire the property if negotiations fail to result in an amicable agreement;
   b. The Fair Market Value of the property at the time of sale.
If this letter was not previously sent to the Seller, it should be sent prior to the filing of the application.

2) A copy of this letter and proof of seller’s receipt of the above letter.

**NOTE:** The project will not receive a commitment of funds from First 5 LA if this letter has not been sent to the Seller. If the sale is still being negotiated, the Applicant must send the letter prior to any disbursement of funds.

**12.11 Welfare Exemption**

The proforma must assume the Applicant is applying for welfare exemption for low-income housing properties.

**12.12 On-Site Manager**

At a minimum, an on-site manager is required for projects with 16 units or more. The on-site manager must be full-time and reside at the project.

**12.13 Conflicting Regulations**

In the event that the regulations governing multiple sources of project financing are in conflict, First 5 LA shall underwrite the project according to the most restrictive requirements.

**12.14 Outreach**

Applicants must include a pro-active plan of action stating how they will engage the community and address any potential negative perceptions of what their project would bring to a particular community. The plan should outline specific steps to be taken before, during and after implementation of the project. Please refer to Section B.3.4 for specific questions that are to be addressed in the plan of action and Appendix 15 for the general criteria.

**12.15 California Environmental Quality Act (CEQA)**

While evidence of CEQA approval is not required for the purposes of this NOFA, Applicants will be subject to CEQA compliance requirements as part of the entitlements process.

END