AGN. NO.

**<u>REVISED</u> MOTION BY SUPERVISOR<u>S</u> HOLLY J. MITCHELL AND HILDA L. SOLIS** August 4, 2026

**<u>Streamlining Affordable Housing Funding Resources through a Los Angeles County Super NOFA</u>**

Los Angeles County (County) administers affordable housing funds across multiple departments, each with its own application, timelines, and requirements. This fragmentation makes it difficult for developers to assemble their capital stack, requiring them to navigate different applications and multiple funding sources. In the County, affordable housing developers typically layer an average of six to nine funding sources into a single project, and it takes an average of two to three years to secure all of their permanent financing.[1] Research has shown that across California, this fragmented funding landscape increases the cost of affordable housing, with each additional public funding source adding approximately $20,460 per-unit cost.[2]

Given the critical need to expand the supply of affordable housing, one way to reduce development costs is to streamline housing financing through a Super Notice of Funding Availability (NOFA) and a one-stop shop for developers. In September 2020, the State of California launched a statewide Super NOFA that consolidated four separate programs into a single application. This consolidated NOFA now encompasses

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[1] https://ternercenter.berkeley.edu/wp-content/uploads/2021/04/LIHTC-Complexity-Final.pdf

[2] https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/

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<u>MOTION</u>

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multifamily, farmworker, infill, and veteran housing programs, and has proven to reduce costs and timelines for affordable housing developments. A Super NOFA is an additional policy tool that streamlines processes and removes red tape, supporting the production of affordable housing needed to address the County's affordability and homelessness crisis.

Funding for affordable housing currently exists in at least four different County departments and the Los Angeles County Development Authority (LACDA), each serving individuals with varying needs. Developers often layer multiple funds from these departments into a single permanent supportive housing project, applying for construction funding from LACDA and operating funding from other departments. These funding sources include but are not limited to: LACDA's annual multi-family NOFA; the Department of Mental Health's (DMH) Behavioral Health Services Act Housing Homekey+ Funds; No Place Like Home funds; the Department of Homeless Services and Housing's Housing for Health program and Flexible Housing Subsidy Pool; Department of Health Services' Office of Diversion and Reentry Housing program; and the Justice Care and Opportunities Department's programs that fund permanent housing. This motion requests a report back on all capital and operating housing funds used for permanent housing and recommends consolidating them into a universal application or Super NOFA. The report back should consider the entirety of housing resources throughout the County dedicated to both the construction and operation of permanent housing.

Additionally, while funding exists in departments across the County, LACDA serves as the County's leading agency on housing production. Although LACDA does not oversee all housing funds, it serves as the agency responsible for designing NOFAs, developing scoring rubrics, underwriting, and assessing the financial viability of a project. For example, LACDA has served this function with DMH in the past, administering $100 million in Mental Health Services Act funding to finance 24 projects that produced more than 1,800 units, and co-administering with DMH more than $675 million in No Place Like Home funding that produced more than 7,100 housing units across 100 developments. Currently, under the Homekey+ program, LACDA will be administering approximately $30 million in capital funding from DMH, building on its experience collaborating with that Department. LACDA has also been appointed by the State to administer Homekey+ for the California Department of Housing and Community Development. Given that LACDA provides technical expertise to other departments on their housing funds and has a proven history of developing and administering NOFAs for the development of permanent housing, they are best situated to serve as the lead for a Super NOFA. It is not the intent for the individual departmental funding to be transferred or administered by LACDA; rather, the goal is to align all permanent housing funding into a streamlined application. Consideration should also be given to the sharing of costs required to set up and implement the Super NOFA.

**~~I~~ WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS ALSO ACTING AS THE BOARD OF COMMISSIONERS FOR THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:**

1. Direct the Executive Director of the Los Angeles County Development Authority (LACDA), or his designee, in coordination with the Directors of the County of Los Angeles (County) Departments of Homeless Services and Housing, Mental Health, LA Health Services, Justice Care and Opportunities, and Children and Family Services, (collectively, County Departments), to report back to the Board within 150 days mapping all housing production and operating subsidy funding that could be streamlined into one County Super Notice of Funding Availability (NOFA).
2. Direct the Executive Director of LACDA, or his designee, in coordination with the County Departments, to include in the report recommendations for the design and implementation of the first Super NOFA, and recommendations for at least one annual cycle thereafter, that align housing production and operating funds into a single application and award process for permanent housing. The recommendations for design and implementation should include:
   a. A timeline that aligns the current and/ or future permanent housing funding across identified departments within a NOFA, to be implemented by the

Fiscal Year 2027-28 budget cycle, in a manner that provides operational continuity and avoids any disruption to funding or services.

b. A strategy for aligning requirements and eligibilities where overlap exists, to clarify which funding sources can be leveraged and stacked.
c. An assessment of LACDA's internal capacity to administer a Super NOFA and a staffing plan to support administration, including any fees associated with operating the NOFA and application for other departments.
d. Recommendations for coordinated compliance and monitoring of funds within the Super NOFA to reduce the burden on County Departments and developers.
e. Consideration of the timing of other jurisdictions' NOFAs, including but not limited to agencies within the County and the State.
f. A NOFA revision process that includes the opportunity for applicants to provide feedback annually, such as but not limited to a public comment period before each Super NOFA is released.

3. Direct the Executive Director of LACDA, or his designee, to conduct stakeholder engagement, to inform the Super NOFA, including outreach to affordable housing developers, affordable housing development association groups, and stakeholders who have helped inform the California Department of Housing and Community Development's Super NOFA, including, but not limited to, California Housing Partnership, Corporation for Supportive Housing, and CTY Housing.

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