

TRANSMITTAL

To: **THE COUNCIL**

Date: **06/13/2025**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to read 'Carolyn Webb de Macias', is centered on the page.

(Carolyn Webb de Macias for)

KAREN BASS

Mayor

City of Los Angeles

Tiena Johnson Hall, General Manager
Tricia Keane, Executive Officer

Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager
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Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
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June 6, 2025

Council File: 23-0038-S8
Council Districts: Citywide
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Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR APPROVAL OF AND AUTHORITY TO RELEASE THE HOMES FOR LA NOFA REGULATIONS AND OPEN THE 2025 NOTICE OF FUNDING AVAILABILITY

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, LAHD seeks approval for and requests authority to release the LAHD Homes for LA: 2025 Affordable Housing Notice of Funding Availability (Homes for LA NOFA) Program Regulations and Term Sheets attached herein, with an anticipated first round of solicitations in September 2025. The total amount of funding proposed for this Homes for LA NOFA totals approximately \$376.3 million, including U.S. Department of Housing and Urban Development (HUD) HOME funds, California Permanent Local Housing Allocation funds (SB2), City Housing Impact Trust Fund (Linkage Fee), and United to House LA (ULA) funds programmed for fiscal year (FY) 2024-25 and FY 2025-26.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of LAHD, or designee, to release the LAHD Homes for LA: 2025 Affordable Housing Notice of Funding Availability (Homes for LA NOFA) Program Regulations and Term Sheets, herein attached in substantially final form and subject to the approval of the City Attorney as to form, based on availability of funds allocated in the federal Consolidated Plan, in the City Housing

Impact Trust Fund (Linkage Fee) Program, in California Permanent Local Housing Allocation (SB2) grant funds, and United to House Los Angeles (ULA) Program funds, up to a total amount of \$ 376,337,473.66 or another up-to amount approved by City Council;

- B. AUTHORIZE the General Manager of LAHD, or designee, to recommend project funding awards based on the approved Homes for LA NOFA regulations and term sheets, and to present such recommendations to the City Council and Mayor for approval;
- C. DIRECT the General Manager of LAHD, or designee, to implement and utilize most of the process improvements set forth in the LAHD report dated February 28, 2025, to ensure streamlined implementation of funding awards, as approved by the City Council in Council File No. 23-0624. These process improvements include, but are not limited to, the following:
 - 1. Review, approve, negotiate, and execute new loan agreements, amendments to existing loan agreements, or amended and restated loan agreements for each project that receives a loan or loan increase, subject to the review and approval of the City Attorney as to form;
 - 2. Allow the deferment of accrued construction loan interest to ensure the financial feasibility of a project;
 - 3. Allow the use of residual receipts payments from one project owned by a sponsor to support another struggling project owned by the sponsor; and
 - 4. Allow modifications to the project, provided such changes remain consistent with approval of the HOMES for LA NOFA guidelines and regulations, including: financial terms, distribution of units, income targeting; and technical corrections to project addresses, name of project sponsor, and other administrative amendments that comply with the requirements of the funding program.
- D. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

The Los Angeles Housing Department's (LAHD) signature Affordable Housing Managed Pipeline (AHMP) program began in 2013 (C.F. No. 13-0303), after the dissolution of the State's Community Redevelopment Agency. This program utilizes federal, state, and local leveraged funds with California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (TCAC) tax credits ranging in total amounts between \$45M - \$65M annually to produce between 200-300 affordable and supportive housing units, annually. In 2016, Los Angeles voters approved Measure HHH, which provided a \$1.2 billion bond measure to build new permanent supportive housing (PSH). As of 2025, the bond proceeds have yielded at least 12,000 new units of PSH. Furthermore, in November 2022, Los Angeles voters approved a documentary transfer tax, ULA, to establish a permanent source of funds to support the construction, preservation, and operation of affordable and supportive housing. The measure took effect in April 2023. This new ongoing local source of funds will supplement the AHMP and amplify the volume of production to help meet the growing housing need in the City of Los Angeles (City).

In December 2024, the Mayor and City Council authorized the fiscal year (FY) 2024-25 ULA Expenditure Plan that allocated a total of \$167,929,514 in ULA revenue to ULA Programs (Council File (C.F.) No. 23-0038-S7). The FY 2024- 25 ULA Expenditure Plan allocated a total of \$105,273,389.12 in ULA funds to the five ULA Programs that are included in this Homes for LA NOFA. Total ULA revenue available for allocation to ULA Programs in FY 2025-26 is projected to be \$424,847,191. The FY 2025-26 ULA Expenditure Plan will be presented to the Mayor and City Council for consideration under a separate report. The draft FY 2025-26 ULA Expenditure Plan is anticipated to allocate a total of \$211,064,084.54 in ULA funds for the housing preservation,

2025 Homes for LA NOFA

production, and operating assistance programs included in this upcoming NOFA, and that funding in included in the amounts designated herein.

Subject to Council approval of the FY 2025-26 ULA Expenditure Plan, in total, approximately \$199.2 million in ULA funding will be available for new construction activities through the ULA Multifamily Affordable Housing and ULA Alternative Models: New Construction Programs through the Homes for LA NOFA. Another \$82.9 million in ULA funding will be available for a range of preservation activities through the ULA Alternative Models: Preservation and ULA Acquisition & Rehabilitation: Preserving Affordability Programs. And, lastly, a total of \$34.1 million in ULA funding will be available for the ULA Operating Assistance Program. Table 1 shows a summary of ULA funds by Program that are anticipated to be made available through the Homes for LA NOFA.

Table 1. Anticipated ULA Program Funds to Be Made Available

<u>ULA Program</u>	<u>FY 2024-25 Approved Program Funding</u>	<u>FY 2025-26 Proposed Program Funding</u>	<u>Total Proposed Program Funding</u>
ULA Multifamily Affordable Housing	\$ 10,212,464.41	\$ 87,943,368.56	\$ 98,155,832.97
ULA Alternative Models: New Construction	\$ 39,486,845.65	\$ 61,560,357.99	\$101,047,203.64
ULA Alternative Models: Preservation	\$ 26,324,563.76	\$ 26,383,010.57	\$ 52,707,574.33
ULA Acquisition & Rehabilitation: Preserving Affordability	\$ 14,624,757.65	\$ 15,634,376.63	\$ 30,259,134.28
ULA Operating Assistance	\$ 14,624,757.65	\$ 19,542,970.79	\$ 34,167,728.44
Total ULA Funds	\$ 105,273,389.12	\$ 211,064,084.54	\$ 316,337,473.66

In addition to the ULA funding, the Homes for LA NOFA will also release approximately \$60 million in Pooled Source funds ordinarily released through the AHMP, including funds available through HOME HUD, State Permanent Housing Local Solutions, and City Linkage Fee funds. As a result, the total amount of funds anticipated to be made available to the seven programs included in the House LA NOFA is approximately \$376.3 million. This funding amount is three times the size of those that the Department has released through the AHMP in previous years.

The seven programs to be included in the Homes for LA NOFA, and their associated funding sources and amounts, are provided in *Table 2*.

Table 2. Homes for LA NOFA Programs

<u>Program</u>	<u>Funding Source</u>	<u>Proposed Funding Amount</u>
Pooled Sources Multifamily Affordable Housing and Preservation	HOME, SB 2, Linkage Fee	Up to \$60 million
ULA Multifamily Affordable Housing	ULA	\$98.1 million
ULA Alternative Models for Permanent Affordable Housing: New Construction	ULA	\$101 million
ULA Alternative Models for Permanent Affordable Housing: Preservation	ULA	\$52.7 million

2025 Homes for LA NOFA

ULA Acquisition and Rehabilitation of Affordable Housing: Preserving Affordability	ULA	\$30.2 million
ULA Operating Assistance	ULA	\$34.2 million

The Homes for LA NOFA Regulations in Attachment 1 of this report describe the standards, definitions, processes, and all other terms that are shared between the various funding programs. Additional requirements in the regulations include provisions outlined in the ULA measure and requirements from the City Council-adopted ULA Program Guidelines (C.F. No. 23-0038-S8). Attachment 2 of this report contains seven term sheets that include loan terms and unique requirements for each of the seven funding programs for which the Department will solicit applications.

Across all seven programs, the Homes for LA NOFA includes three programs focused on new construction of affordable housing, three programs focused on affordable housing preservation, and one program focused on stabilizing existing affordable housing through provision of operating assistance funds. This Homes for LA NOFA provides LAHD the opportunity to administer preservation programs and operating assistance programs for the first time — thereby contributing to the critical need for stabilization and maintenance of the City’s existing affordable housing portfolio. This Homes for LA NOFA also offers substantially higher levels of funding for the construction of new affordable and supportive housing units, which has typically been the focus of past NOFAs.

Additionally, consistent with the City Council’s action approving the AHMP streamlining transmittal (C.F. No. 23-0624), as part of the Homes for LA NOFA process, LAHD will implement and utilize the process improvements as set forth in the LAHD Report dated February 28, 2025, which will allow for streamlined implementation of funding awards. These improvements include key provisions to, among other things, ensure expedient utilization of funding awards and to delegate the necessary authority to the General Manager of LAHD, or her designee, to take necessary actions consistent with the funding awards to minimize the number of times a project must return to City Council for additional action.

HOMES FOR LA NOFA PROCESS IMPROVEMENTS AND CALENDAR

C.F. 23-0624 as approved by City Council on April 9, 2025, directed that LAHD present an annual NOFA to the City Council for approval at the beginning of each fiscal year that includes, at a minimum, the applicable guidelines and regulations for the NOFA. This report and attachments provide the information as directed, with the NOFA regulations included as Attachment 1 and the term sheets included as Attachment 2. This City Council action also directed that the Department provide necessary delegated authorities to the General Manager of LAHD, or a designee, for streamlined implementation of funding awards. These delegated authorities are outlined in Recommendation II.C above, and include the following delegated authorities consistent with those contained in the body of C.F. 23-0624:

1. Allow LAHD to make changes to an approved project on an as-needed basis. These changes would only be allowed if such changes maintain or improve a project’s competitive scoring in the applicable NOFA and are consistent with the approved NOFA regulations and guidelines. The City Council and Mayor will be notified of any changes in project awards;
2. Allow LAHD staff approval of gap funding based on an analysis of increased funding awards over the preceding two years, updated on an annualized basis.

Please note that C.F. 23-0624 also recommended that the Department provide a commitment term of two years for all HOMES for LA awards, with delegated authority to the Department to provide up to a two-year extension if justified. However, the Homes for LA NOFA recommends a commitment term of one year with delegated

authority to the Department to provide up to a one-year extension.

Additionally, City Council directed that LAHD create a calendar of anticipated dates for one or more funding rounds in the NOFA process that are intended to align with the schedules of other funding sources (such as the availability of LIHTC funding). This calendar is included in Attachment 1 of this report.

AFFORDABLE HOUSING FINANCE CHALLENGES

In February 2023, Council approved the framework of the Fast Track Loan Program (C.F. No. 23-0206). In that there was a tranche of \$28,400,000 in funding to support projects previously admitted to the AHMP to close their funding gaps. LAHD initiated this program due to the unprecedented project cost overruns at that time. These overages occurred for a variety of reasons including but not limited to increased interest rates and insurance costs, project delays due to COVID, and revised contingency and reserve requirements from other lenders. While this first round of funding supported the financing gaps for 669 units across 8 projects, more projects required additional gap financing for similar reasons.

In January, 2024, the Department released a second round of Fast Track funding in the amount of \$24,889,748 to support another 732 units across 11 projects requiring gap financing (C.F. No. 23-0206). In that same report, the LAHD recognized the need to revisit its underwriting standards as a result of these sweeping economic challenges.

And, currently, the Department has requested a third round of funding in the amount of \$17,766,187 under the Fast Track framework which seeks Council approval. All told, the Department has requested \$71,055,935 in gap financing for over 20 projects.

This dramatic addition of funds needed to cover the financing gaps over the last 4 years daylights a different lending landscape. And now, other factors such as the federal tariffs on building goods and the increased cost of insurance as a result of the LA wildfires will *continue* to increase the cost of new construction in the Los Angeles region. Both of these factors, outside the control of the Department, require a new set of underwriting standards that are being developed and will be applied to future projects funded by LAHD.

LOAN TERMS AND NEW PROGRAMS

The ULA Program Guidelines described many of the key parameters for ULA Programs, but rather than setting loan limits within the documents, these guidelines described the process LAHD would take each year to set loan limits prior to opening each NOFA. Furthermore, the guidelines call for loan limits to take into account the total development cost, the public subsidies that can be leveraged to help finance that development cost, and any debt a project may be able to take on to close any remaining gaps.

In the past, LAHD has set loan limits as a dollar figure per unit and per project, such as the \$140,000/unit cap used for the ULA Accelerator Plus Program and a similar benchmark within the AHMP and HHH programs. However, after years of releasing NOFAs to fund the capital production of housing, a pattern has emerged – setting an absolute dollar amount encourages applicants to submit proposals right up to that limit, even if their real financing gaps may be higher. This has created situations where projects severely underestimated their costs to fit LAHD requirements, resulting in delays as projects must seek additional funding sources in order to be viable, as was evidenced in the Fast Track Program.

In addition to the constraints described above, as well as limited zoning capacity and funding requirements set forth in the ULA measure, LAHD recommends a different approach to loan limits with this NOFA. Loan limits represent caps on the amount of subsidy the Department will provide to any given project as part of its capital stack. The Department determines the loan limits and overall terms based on market conditions, current underwriting standards, and available leveraging sources. Ideally, the capital stack of each project will fully fund

the project cost through construction and into permanent financing, yielding as many units as possible. The actual loan limits vary depending on the funding program and overall leveraging strategy that LAHD expects each program's applicants to pursue. Rather than set loan limits as an absolute dollar figure, as done in past programs, LAHD recommends expressing most loan limits in relative terms as a percentage of project Total Development Cost (TDC).

For the ULA Operating Assistance Program only, loan limits are capped at an absolute dollar figure per unit and per project, based on the approved ULA guidelines. For the Pooled Sources Preservation Program only, loan limits are expressed as a ratio of Loan-to-Cost (LTC).

In addition to right-sizing the loan amounts, this departure from an absolute dollar figure responds to on-going variability in the market resulting in finance gaps for several projects. Through this NOFA, LAHD seeks to quickly deploy capital into the affordable housing market to speed up production. In order to achieve this goal, LAHD will offer a higher loan limit, simplifying the capital stack, ultimately resulting in a shorter unit production timeline since it often takes between 2-3 years for developers to assemble financing. Additionally, the Department prioritized flexibility to reflect the availability of County, State and Federal funds (including Low Income Housing Tax Credits) at the time the Homes for LA NOFA occurs.

In the Term Sheets provided in Attachment 2, LAHD recommends relative loan limits for most of the Homes for LA NOFA programs. This means that each project will have a funding cap, but new underwriting standards will express the award amount as a percentage of TDC or LTC. LAHD believes this will encourage applicants to be more transparent about their anticipated costs.

STAKEHOLDER FEEDBACK

On April 24, 2025, LAHD presented an overview of the proposed loan limits for the ULA funding programs to the ULA Citizen Oversight Committee (COC), in order to share information with the public and the COC regarding the upcoming Homes for LA NOFA.

On April 29, 2025, LAHD issued a preliminary draft of the Homes for LA NOFA Program Regulations and Term Sheets to its stakeholder community, in order to solicit feedback on the draft documents. The stakeholder feedback period ended on May 11, 2025, with over 53 comments received. Based on the feedback received, LAHD incorporated the following revisions to the proposed draft Homes for LA NOFA Program Regulations and Term Sheets provided in Attachments 3 and 4 to this report:

3. Accessibility Requirements - Revised accessibility requirements to align with California Tax Credit Allocation Committee (TCAC) accessibility standards, which require a total of 25% of units in new construction/adaptive reuse projects to be accessible (10% sensory and 15% mobility), and a total of 14% of units in rehabilitation/retrofit projects to be accessible (4% sensory and 10% mobility).
4. Multi-Phase Projects - Revised definitions for Site Efficiency and Relocation/Replacement to clarify that Multi-Phase projects will be evaluated for these two scoring criteria on the basis of full proposed buildout.
5. Calculation of Total Development Cost (TDC) on a Square Foot Basis - Revised definition for the Cost Effectiveness scoring criterion to clarify that projects will be ranked relative to others not on the basis of raw TDC, but TDC adjusted per square foot.
6. NOFA and Program Naming - Revised NOFA and program naming conventions to avoid confusion with other existing State-level programs and to reflect the current reality of how LAHD's Development and Finance unit administers funding awards. In the past, projects were admitted into the Affordable Housing Managed Pipeline (AHMP) during an earlier phase of predevelopment. AHMP programs have now been renamed "Pooled Sources", to distinguish them from ULA-funded programs and to reflect the blended

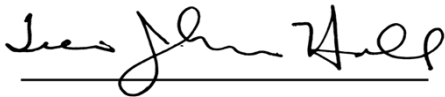
nature of the state, federal, and local funds in those programs.

7. Reassignment of Pooled Sources Resyndication Projects - Revised the Pooled Sources Term Sheets to recategorize Resyndication as an eligible use in the Pooled Sources Multifamily Term Sheet (f.k.a. AHMP New Construction Term Sheet). Previously, Resyndication was an eligible use in the Pooled Sources Preservation Term Sheet (f.k.a AHMP Preservation Term Sheet), and it is now an ineligible project type under that program. Resyndication activities are included in the Pooled Sources Multifamily Term Sheet because all of the activities in that program will utilize Low Income Housing Tax Credits. This shift will allow the Pooled Sources Preservation Program to assist pure recapitalization and rehabilitation projects without paying expensive acquisition costs and without restricting the universe of applicants to projects with expiring covenants, which is a TCAC requirement for Resyndications.
8. Technical revisions.
9. Corrections of typographical errors.

FISCAL IMPACT

There is no impact to the General Fund. The recommendations in this report will authorize LAHD to solicit applications to utilize approximately \$376 million from a combination of HUD HOME allocation, proceeds from the City's Linkage Fee, State SB2 Program funds, and United to House Los Angeles (ULA) Affordable Housing Program funds.

Approved By:



TIENA JOHNSON HALL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

- Attachment 1: Homes For LA 2025 NOFA Regulations
- Attachment 2: Homes For LA Term Sheets
- Attachment 3: 2025 Homes for LA NOFA Regulations Public Comment Revisions Redline
- Attachment 4: 2025 Homes for LA NOFA Term Sheets Public Comment Revisions Redline

**CITY OF LOS ANGELES
LOS ANGELES HOUSING DEPARTMENT**

**HOMES FOR LA: 2025 AFFORDABLE HOUSING NOFA
PROGRAM REGULATIONS AND TERM SHEETS**

NOTICE OF FUNDING AVAILABILITY

DATE TBD, 2025

HOMES FOR LA NOFA REGULATIONS

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Exh_05	TOC Guidelines	
Exh_06	LAHD Land Use Fee Schedule	
Exh_07	Enhanced Accessibility Program	
Exh_08	Pet Policy	

Note: For Threshold Document Checklists applicable to all programs, see Appendix I at the bottom of this document. For project specific threshold items, see individual term sheets.

HOMES FOR LA NOFA REGULATIONS INTRODUCTION

The City of Los Angeles's (City's) goal, through the Los Angeles Housing Department (LAHD) Homes for LA: 2025 Affordable Housing Notice of Funding Availability (Homes for LA NOFA), is to create affordable housing and prevent future homelessness in the City of Los Angeles. The purpose of these Homes for LA NOFA Regulations, Policies, and Procedures (Homes for LA NOFA Regulations) is to document the policies, rules, and regulations governing the federal, state, and local funding administered by the City of Los Angeles through the Los Angeles Housing Department (LAHD) to assist in the creation and preservation of affordable housing.

These Homes for LA NOFA Regulations consist of general regulations that apply to seven unique funding programs that are each addressed in their own term sheet. The main body of the Homes for LA NOFA Regulations serves to establish general City and LAHD rules and procedures, elaborate on universal definitions and standards, and assist the public in navigating and understanding the differences between the various funding programs. Successful respondents must closely consult both the main body of the Homes for LA NOFA Regulations, as well as the specific term sheet for the funding program for which they will apply. The seven (7) term sheets correspond with the following funding programs, each of which are supported either by Pooled Sources (including HOME, California SB 2, and Los Angeles Affordable Housing Linkage Fee funding), or the United to House Los Angeles (ULA) funds:

1. Pooled Sources Multifamily
2. ULA Multifamily Affordable Housing (New Construction)
3. Pooled Sources Preservation
4. ULA Acquisition and Rehabilitation of Affordable Housing: Preserving Affordability
5. ULA Alternative Models for Permanent Affordable Housing: Preservation
6. ULA Alternative Models for Permanent Affordable Housing: New Construction
7. ULA Operating Assistance

The housing created, preserved, and supported through the Homes for LA NOFA is intended to serve all populations identified by ULA, California State Tax Credit Allocation Committee (CTCAC), the California Debt Limit Allocation Committee (CDLAC), the California Department of Housing and Community Development (HCD), and the U.S. Department of Housing and Urban Development (HUD). Some projects funded as part of the Homes for LA NOFA will be required to leverage City funding with other sources to the greatest extent possible, while others may pursue more limited leveraging strategies, depending upon which program funding pool is sought.

These Homes for LA NOFA Regulations effectuate the [ULA Measure](#) and [Program Guidelines](#) (approved by the City Council pursuant to Council File (CF) No. 23-0038-S8) and will be implemented consistent with the streamlined affordable housing funding award process pursuant to Council File No. CF 23-0624.

Table 1 below summarizes the seven (7) term sheets for which LAHD will solicit applications as part of the Homes for LA NOFA. Table 1 is not intended to be comprehensive of all requirements of the various term sheets, but is intended to guide applicants to the appropriate term sheet where all applicable requirements may be found.

Table 1: Summary of the Term Sheets

Topic	Pooled Sources Multifamily	ULA Multifamily	Pooled Sources Preservation	ULA Acq/Rehab Preservation	ULA Alt Models Preservation	ULA Alt Models New Construction	ULA Operating Assistance
Eligible Applicants	Non-profit developers, LPs, and LLCs. For-profit developers are also eligible	Nonprofit developers, CLTs, LEHCs, public entities, LPs, LLCs. For-profit developers are also eligible	Non-profit developers, LPs, and LLCs. For-profit developers are also eligible	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs
Project Types	New Construction, Adaptive Reuse, Resyndication of projects with expiring covenants	New Construction, Adaptive Reuse	Preservation, Rehabilitation, Recapitalization and Capital Improvements without Acquisition	Acquisition and Rehabilitation of deed-restricted affordable housing with covenants expiring in 10 years or less	Recapitalization and Capital Improvement without Acquisition	New Construction, Adaptive Reuse	A project applying for assistance must already be in the LAHD loan portfolio
Minimum Unit Count	20	40	None	None	None	40	None
Loan Limits	Up to 30% of TDC	Up to 30% of TDC	Up to 30% of Loan-to-Costs, with acquisition costs and replacement reserves disallowed from costs	Up to 30% of TDC	Up to 100% of TDC	Up to 80% of TDC	Up to \$4,000/unit plus an additional up to \$250,000 per project for emergency capital needs*

Homes for LA: 2025 Affordable Housing NOFA Program Regulations and Term Sheets

Topic	Pooled Sources Multifamily	ULA Multifamily	Pooled Sources Preservation	ULA Acq/Rehab Preservation	ULA Alt Models Preservation	ULA Alt Models New Construction	ULA Operating Assistance
Leverage Requirements	LIHTC + other sources	LIHTC + other sources	None, but applicants encouraged to seek hard debt	LIHTC + other sources	None	None, but applicants with outside funding commitments will be prioritized	None
Labor Requirements	BABA; Davis-Bacon, prevailing wage	PLA	BABA; Davis-Bacon, prevailing wage	Prevailing wage, and PLA if 40+ units	Prevailing wage, and PLA if 40+ units	PLA	Prevailing wage
Rent/Income Limits	Max 80% AMI	Max 80% AMI	Max 80% AMI	Max 80% AMI	Max 80% AMI, except 20% of units can be unrestricted and 20% of units must be restricted to max 30% AMI	Max 80% AMI, except 20% of units can be unrestricted and 20% of units must be restricted to max 30% AMI	Max 80% AMI
Tenant Governance Required	No	No	No	Yes	Yes	Yes	No

Glossary of Table Terms

Abbreviation	Definition
LIHTC	Low Income Housing Tax Credit
BABA	Buy America Build America
AMI	Area Median Income
PLA	Project Labor Agreement
TDC	Total Development Cost
CLT	Community Land Trust
LP	Limited Partnership
LEHC	Limited Equity Housing Cooperative
LLC	Limited Liability Cooperation

Standard Requirements Across All Funding Sources

1. Occupancy Monitoring Requirements
2. Default Thresholds
3. Site Control
4. RUDs: Unit Replacement + Relocation
5. Interest Rates
6. Developer Fee
7. Accessibility Requirements

Differences in Requirements Across All Funding Sources

1. Loan Limits
2. Project Underwriting*
3. Leveraging Requirements
4. Labor Requirements
5. Sponsor Underwriting**
6. Eligible Activities*** (loan types)
7. Affordability Covenant Term
8. Loan Term

*All projects will be subject to the uniform set of underwriting guidelines developed by LAHD. However, some projects may require additional underwriting related to CNA + Financial Distress evaluation.

**All applicants must meet the criteria outlined in the underwriting guidelines, except CLTs are permissible for all programs and the Alternative Models programs do not allow for-profit developers and applicants must have experience with experience in tenant governance

***All programs will offer residual receipt loans with the exception of the Operating Assistance Program which may also be awarded in the form of a grant.

Questions and Technical Assistance

Please submit all questions or requests for online technical assistance to the “Ask a Question/FAQ” function of the online Homes for LA NOFA application. **Questions will not be accepted via email, phone, or by any means other than the online application.**

To ensure the fair and consistent distribution of information, all questions will be answered in the FAQ Section of the online application. No answers will be provided directly to individuals. The FAQ page will be updated on a regular basis to ensure the prompt delivery of information.

Additionally, LAHD will host a bidders conference at least five days before the Homes for LA NOFA opens for applications.

Submittal Deadlines

The submittal window for Homes for LA NOFA applications spans from September 5, 2025, to the deadline of October 20, 2025, at 11:59 p.m.

Applications will be accepted via the online Notice of Funding Availability application only. Any modification of forms and templates provided by LAHD without prior approval is not allowed. Any application and other application-related documents submitted after the deadline will not be accepted. All applicants are encouraged to file their applications as early as possible.

Timeline

Proposed 2025 LAHD Homes for LA NOFA Timeline

DESCRIPTION	Tentative Date
Announce NOFA & Post Final Regulations	August 15, 2025
Bidder's Conference	August 27, 2025
Open Notice of Funding Availability	September 5, 2025
Post Q&A responses part 1	September 12, 2025
Post Q&A responses part 2	September 16, 2025
Post Q&A responses part 3	September 25, 2025
Notice of Funding Availability applications due by 11:59 p.m.	October 20, 2025
List of Applications and Self scores published	October 24, 2025
LAHD Scores published	November 25, 2025
Final Scores and Funding Transmittal Released to Mayor's Office	December 15, 2025

SECTION 1: GENERAL PROVISIONS

LAHD, through this Homes for LA NOFA, intends to solicit, evaluate, select, rank, project-manage, and fund the new construction, operating assistance, rehabilitation, and/or preservation of multifamily rental housing to address the needs of low-income households. The Homes for LA NOFA will award City-controlled funds from local, State, and/or federal sources and will seek to maximize their impact by aligning projects with LIHTC funding when possible.

1.1 Homes for LA NOFA Funds Available and Leverage Requirements

The amount available for allocation will be determined by the availability of federal, State, and/or local funding. The Homes for LA NOFA will offer seven (7) separate funding programs each with their own term sheets. Various funding sources are allocated to each program according to project type and leverage requirements as shown below:

Funding Program	Funding Available*	Primary City Funding Source	Required to Leverage Tax Credits
Pooled Sources Multifamily and Pooled Sources Preservation	Up to \$60M	HOME/SB2/Linkage fee	Yes for New Construction and Resyndication No for Preservation-only recapitalizations
ULA Multifamily	\$97.5M	ULA	Yes
ULA Acquisition & Rehabilitation: Preserving Affordability	\$30.4M	ULA	Yes
ULA Alternative Models New Construction	\$101.5M	ULA	No
ULA Alternative Models Preservation	\$52.9M	ULA	No
ULA Operating Assistance	\$34.3M	ULA	No

*These are approximate amounts and are subject to change. Availability of ULA funds for this Homes for LA NOFA is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.

1.2 Term Sheets

Each program will have its own term sheet dictating terms of the loan offered, specific threshold requirements, and a more detailed description of the particular requirements attached to that program. The term sheets are attached to this Homes for LA NOFA and titled by the name referenced Table 1. The term sheets provide crucial, program-specific details that will not be found in the body of the Homes for LA NOFA Regulations.

1.3 Non-Tax Credit Projects

The ULA Alternative Models New Construction, ULA Alternative Models Preservation, and ULA Operating Assistance Programs are not intended to leverage LIHTC.

ULA Alternative Models New Construction projects submitted without tax credits in the planned capital stack are still encouraged to pursue at least one additional source of private or public funds.

ULA Alternative Models Preservation and ULA Operating Assistance Programs are not expected or encouraged to seek additional non-City sources. However, sponsors may apply to these two programs together if the project requires assistance to replenish both operating and capital reserves. See *Section 6: Application Process*.

1.4 Funding Awards and Admittance Terms: Pooled Sources Multifamily, Pooled Sources Preservation, ULA Multifamily New Construction, and ULA Acquisition/Rehabilitation Preserving Affordability

Projects applying under any of these programs must be structured with either 9% LIHTC or 4% LIHTC in the planned capital stack.

If awarded under the Homes for LA NOFA, the project will be tentatively assigned a tax credit round under which to apply and will be required to apply for that tax credit round.

Pooled Sources Multifamily Program and Pooled Sources Preservation Program projects must comply with HOME Investment Partnership Program (HOME) funding requirements.

LAHD's commitment of funding to the successful applicant shall be valid for up to 12 months from the date of the LAHD award letter. If the project is unsuccessful in obtaining tax credits for the assigned round, the Homes for LA NOFA funding commitment may be extended for up to twelve (12) additional months. If the project becomes infeasible due to non-compliance, failure to achieve project readiness milestones, or inability to obtain tax credits, its conditional award shall be terminated subject to the discretion of LAHD's General Manager.

1.5 Funding Awards and Admittance Terms: ULA Alternative Models New Construction and ULA Alternative Models Preservation

Projects in both of these programs may propose additional funding sources at the time of application to the Homes for LA NOFA. If awarded under the Homes for LA NOFA, the commitment term of the

award shall be valid for up to 24 months from the date of the LAHD award letter. If the project becomes infeasible due to non-compliance and/or failure to achieve project readiness milestones, or if the additional source(s) becomes unavailable, LAHD's General Manager has the discretion to reallocate the funding.

Additionally, ULA Alternative Models New Construction and ULA Alternative Models Preservation Programs have an **Enhanced Environmental Health Commitment requirement**, which is triggered on development sites with a CalEnviroScreen 4.0 Overall Score in the 80th percentile or greater. Please refer to *Section 5: Threshold Requirements* for more detail on the requirement.

1.6 Funding Awards and Admittance Terms: Operating Assistance

Under the ULA Operating Assistance program, it is possible that due to inadequate cash flow, projects may show delays in complying with Rent Escrow Account Program (REAP), fail a background check, or exhibit non-compliance with other business policies applicable to all other programs. If this is the case, projects may still be eligible for funding even if they fail the background check so long as part of the stabilization plan demonstrates how the project will continue to pay down the LAHD loan.

SECTION 2: LOAN TERMS AND REQUIREMENTS

Interest and Loan Repayment

2.1 Interest Rate

The interest rate for residual receipts loans will be three percent (3%) simple interest, but if it is found to be necessary for project feasibility, LAHD may determine a lower interest rate of no less than one percent (1%).

2.2 Payment of Interest During Construction

The Department will waive construction loan interest to ensure the financial feasibility of a project, if needed by the project sponsor. Construction loan interest can be waived for three (3) years, starting from the date of the first Warrant (Los Angeles City check) of the disbursement of the loan proceeds, or issuance of the project's Temporary Certificate of Occupancy (TCO), whichever is shorter.

If interest waiver is not needed during the period of construction, accrued interest (hereinafter referred to as "Construction Period Accrued Interest") shall be calculated from the date of the first Warrant (Los Angeles City check) of the disbursement of the LAHD loan proceeds, until the date of the project's date of completion, which is defined here as the date indicated in the project's final Certificate of Occupancy. Construction Period Accrued Interest shall be due and payable no later than the date of the project's permanent loan conversion.

For rehabilitation projects, the date of completion shall be the same date as the recordation date of Notice of Completion. Payment of the Construction Period Accrued Interest is a condition required prior to conversion of the LAHD loan from a construction loan to a permanent loan.

2.3 Payment of Interest After Completion of Construction

Thereafter, payment of interest shall be made from annual residual receipts, beginning the First Payment Date and each year thereafter through the term of the loan. After project completion, accrued interest shall be deferred. Principal shall be due at maturity of the loan. Interest shall be repaid if there is adequate cash flow after the Allowable Deductions are made.

2.4 Repayment of the LAHD Loan

LAHD loans shall be repaid through a residual receipts distribution which allows the project to repay principal and accrued interest when adequate cash flow is available for distribution. LAHD shall receive fifty percent (50%) share of the cash flow remaining after the Allowable Deductions, unless there are multiple government agencies funding the same project. In which case, LAHD shall receive a pro-rata share of the residual receipts based on the amount of funds LAHD has awarded to the project versus the total of all funds from all agencies. The Allowable Deductions from the cash flow shall be as follows:

- Operating expenses calculated on an accrual basis;

- Debt service on senior project debt;
- Payments to the operating reserve fund;
- Payments to the replacement reserve fund;
- Actual deposits to the supportive services reserve fund;
- Repayment of General Partner Operating loan/s;
- Payment of deferred developer fees excluding any interest;
- \$25,000 for projects that LAHD does not allow any other fees to be deducted prior to payment of residual receipts to the LAHD.

2.5 Commercial Space and Calculation of Residual Receipts

Commercial space is defined as all non-residential space that is a structurally integral part of, and within the envelope of a mixed-use development. A non-residential space that is used by the property owner primarily for the benefit of the tenants, (e.g. laundry room, community room, etc.), shall not be considered a commercial space.

The Sources and Uses of funds in the development budget shall contain detailed line items and apportioned amounts for any commercial component that is separate from its residential component. The financial proforma shall include cash flow projections for residential and commercial space.

2.6 Developer Fee

Allowed developer fee for Super NOFA capital projects will use the most recent TCAC standards for 9% credits. The ULA Operating Assistance Program does not allow any developer fee.

2.7 Default

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

- Failure to construct or rehabilitate the proposed project within the time agreed;
- For acquisition projects, failure to purchase the subject property;
- Breach of rental/ownership covenants;
- Failure to maintain the property in good condition;
- Failure to make agreed-upon loan repayments;
- Failure to receive an LAHD approval prior to any change in ownership entity;
- Breach of affirmative action, equal opportunity, contractor responsibility, equal benefits or MBE/WBE requirements;
- Failure to submit annual financial statements certified by a certified public accountant;
- Failure to comply with Davis-Bacon or State Prevailing Wage requirements;
- Failure to comply with any applicable Project Labor Agreement requirements (including Measure ULA Project Labor Agreement) and prevailing wage requirements, as applicable;
- Failure to meet accessibility construction standards, and/or failure to comply with all applicable accessibility standards, including but not limited to: Section 504 of the

Rehabilitation Act of 1973 as amended, Title VIII of the Civil Rights Act of 1964 as amended in 1988 by the Fair Housing Amendments Act, and the Americans with Disabilities Act Title II, the State of California's Unruh Act, Department of Fair Employment and Housing (DFEH) Regulations and California Government Code Section 11135 et. seq.;

- Failure to maintain appropriate insurance coverage without LAHD approval;
- Commencing construction (including demolition) without LAHD authorization;
- Failure to abide by development and/or construction schedules;
- Failure to maintain the project "in balance" during construction;
- Failure to pay property taxes that are associated with the project;
- Bankruptcy;
- Dissolution or insolvency of the ownership entity;
- Failure to adhere to construction cost limits as stated in Section 9 of these regulations; or
- Uncured event of default under any other loan agreements from federal, state, or county or private lenders.

2.8 Conversion Conditions

LAHD will not allow a construction loan to convert to a permanent loan unless the following conditions are met:

- a. Receipt of a Certificate of Occupancy, a Temporary Certificate of Occupancy or acceptable evidence of final sign-off from the Los Angeles Department of Building and Safety; LAHD receipt of complete rent rolls
- b. Evidence of application for property tax abatement, or exemption, if original proforma contemplated tax abatement or exemption, or evidence that the property is owned by an entity or body that is exempt from taxation pursuant to Section 3 of Article XIII of the California Constitution
- c. Evidence that any conventional debt for the project has closed or will close concurrently;
- d. Payment of the construction period accrued interest on LAHD's Acquisition-Predevelopment/ Construction Loan that shall have accrued interest during construction period (applicable to projects that will be included in the Pipeline beginning 2015 and thereafter)
- e. LAHD's acceptance of a Final Accessibility Report from a State-Certified Access Specialist Program consultant (CAsp), provided that the Final Accessibility Report will not be required for acquisition-only projects that do not include rehabilitation;
- f. Verification of Compliance for the Development has been issued by the Neutral Accessibility Consultant (NAC), provided that this will not be required for acquisition only projects that
- g. do not include rehabilitation
- h. LAHD's receipt of the draft cost certification prepared by an independent Certified Public Accountant or accounting firm, according to generally accepted auditing standards.

2.9 Occupancy Monitoring

Property Management Plan

Skilled property management is critical to the success of affordable housing developments. As part of the Project Readiness evaluation process, applicants must submit a Property Management Plan (PMP) no later than 120 days prior to opening for marketing date. The PMP shall include an outline of the project's Affirmative Marketing process, including information concerning outreach to the various communities interested in leasing mobility and sensory accessible units, and ongoing monitoring of the occupancy in these units (Exhibit 4). LAHD shall only accept PMPs that are completed using the LAHD PMP module. Any PMP that is not submitted via the module will not be accepted.

If the project includes federal rental assistance subsidy, then in the case of any conflict between the PMP module and a federal statute or regulation pertaining to the federal subsidy program, the provisions of the federal statute or regulation shall control as they pertain to any such conflicting provision.

Household Income Limits for All Homes for LA NOFA Projects and Rent Schedules

LAHD will apply a general household income requirement of 80% AMI or below for occupants in all programs in the Homes for LA NOFA. However, projects braiding in outside funds (i.e. LIHTC) must comply with all applicable rent and income limits from various funding sources.

ULA Alternative Models New Construction and ULA Alternative Models Preservation have a limited exemption from the 80% AMI requirement. These two funding programs allow 20% of a project's units to be unrestricted with respect to the household's rents and incomes. Additionally, 20% of a project's units must be restricted to Acutely Low Income (ALI) households at 15% AMI, or Extremely Low Income (ELI) households at 30% AMI. These projects have the option of using mixed-income approaches to cross-subsidize the ALI/ELI units.

All Homes for LA NOFA funding programs will use HUD rent schedules, unless the funded project braids in additional sources that require a more restrictive funding source. Rent schedules can be found on the LAHD website and sponsors should use the most recent versions available:

<https://housing.lacity.gov/partners/land-use-rent-income-schedules>

Affirmative Marketing

Applicants must demonstrate that they have corrected all Occupancy Monitoring deficiencies, e.g., issuing documentation of having corrected rents that were over-charged to tenants, and have met all affirmative marketing requirements set forth by LAHD. As part of affirmative marketing, project sponsors will be required to market to non-English speakers and collect demographic data on tenants. The compliance period includes up to 5 years of occupancy compliance history. Applications not meeting this criterion will be automatically rejected and will not be considered for further review during the current NOFA.

Property Management (residential and commercial)

LAHD reserves the right to approve the property management firm for each project. LAHD may require a change in the property management provider if costs are excessive relative to peers, or if the property manager fails to perform. Prior to completion of construction, developers must prepare a Property Management Plan (PMP) in accordance with LAHD requirements and receive approval of that PMP prior to lease-up. All affordable housing units must be leased within six (6) months of

completion.

LAHD reserves the right to disapprove any commercial space tenants that will use the project's commercial space for any trade or business consisting of any operation that caters exclusively to adults, which may negatively impact tenants' safety and welfare. Such businesses include but are not limited to massage parlors, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store, of which its principal business is the sale of alcoholic beverages for consumption off premises, etc.

2.10 Fair Housing Act's Exemption Regarding Senior Housing

The Federal Fair Housing Act prohibits discrimination based on family status, i.e., a project's Declaration of Covenants, Conditions, and Restrictions (CC&Rs) cannot exclude children. However, in accordance with Housing for Older Persons Act of 1995 (HOPA), the Fair Housing Act specifically exempts three types of housing for older persons from liability for familial status discrimination. Such exempt housing projects can lawfully refuse to sell or rent dwellings to families with minor children if they qualify for the exemption. In order to qualify for the "housing for older persons" exemption, a project must satisfy the following requirements:

- At least 80% of the occupied units must be occupied by at least one person 55 years of age or older. Projects can, if they so choose, require that 100% of the units have at least one occupant who is 55 years of age or older;
- The project shall publish and follow policies that demonstrate an intent by the association to provide housing for persons 55 years of age or older; and
- The project shall comply with age verification procedures designed to ensure compliance with 55+ requirements.

2.11 Accessible Housing Program Compliance

Covered Housing

Covered Housing Development includes all housing developments and housing units that are financially assisted, designed, constructed, altered, operated, administered, or financed in connection with a program administered by the City of Los Angeles or by its subrecipients.

Covered Housing Projects of the Accessible Housing Program (AcHP) are any projects owned by the applicants, the applicants' partners, or in which the applicants' principals have a vested interest that are covered housing projects under the Accessible Housing Program (AcHP) must be certified as compliant with AcHP's policies or in substantial compliance with AcHP. Applicants to this Homes of LA NOFA solicitation must maintain continued compliance for any other projects in the applicant's, or the applicant's partners', portfolios if those projects are subject to AcHP.

Fair Housing Policy Regarding Disability

Projects must follow the "[Fair Housing Policy in Regard to Disability](#)," which details affirmative marketing, reasonable accommodations/ modifications, and tenant selection requirements, as they relate to compliance with California's Fair Employment and Housing Act (FEHA) and its Unruh Act, the federal Fair Housing Act (FHA), The Rehabilitation Act of 1973, Section 504 (§504) and the Americans

with Disabilities Act (ADA).

2.12 Permanent Supportive Housing (PSH) Projects

Coordinated Entry System + Population Priorities

To compete as a Permanent Supportive Housing project, the proposed development must serve extremely low, extremely and very low income, chronically homeless special needs individuals and veterans, formerly homeless, homeless families, homeless transition-aged youth (TAY), homeless seniors, homeless seniors, homeless disabled. All matching of PSH units shall be administered through the Coordinated Entry System via the Los Angeles Homeless Services Authority or successor agency.

Supportive Services Plan for Supportive Housing Units

All supportive and affordable housing projects that have supportive housing units within each project shall submit a Supportive Services Plan that includes a detailed outreach plan for each proposed population, a staffing plan, and supportive services budget. Additionally, projects with Accessible Housing Program (AcHP) units shall submit a plan to incorporate the Coordinated Entry System (CES), and LAHD's Affordable and Accessible Housing Registry in leasing to persons needing accessibility features.

Vouchers in PSH Projects

Where discrepancies exist between these Homes for LA NOFA Regulations and HACLA/LACDA's PBV Notice of Funding Availability requirements, rental subsidy programs within LA County Measure A, California State Proposition 1 or the Flexible Housing Subsidy pool, the requirements attached to the agency providing the rental subsidy will prevail.

Leasing Process

For Homes for LA NOFA-Funded Permanent Supportive Housing projects using Project-Based Vouchers, developers must comply with the leasing preferences outlined in the Housing Authority of the City of Los Angeles (HACLA) PBV NOFA or the recent Los Angeles County Development Authority NOFA. This includes but is not limited to the requirement that both initial and ongoing vacancies of PBV units are filled using developer-created and maintained PBV Waiting Lists for the site (to be monitored by HACLA) or by referrals from the County Health Departments or Veterans Affairs, as appropriate. HACLA may also refer PBV applicants from the Section 8 tenant-based Housing Choice Voucher Program waitlist.

2.13 Land Use Compliance

Replacement Unit Determinations (RUD)

Projects may be subject to affordable replacement requirements per the Housing Crisis Act of 2019, the Resident Protections Ordinance (LAMC 16.60), or specific plan replacement requirements, which may require like-for-like (i.e. same bedroom and bathroom) replacement of existing units. Any affordable replacement unit(s) required per the RUD shall be replaced at an affordable rent per California Health and Safety Code (HSC) Section 50053 or at an affordable housing cost per HSC Section 50052.5.

Land Use Covenants

Projects that are requesting land use incentives/entitlements (ex. Density Bonus, TOC, Citywide Housing Incentive Programs, etc.) that allow for a density increase, parking reduction, etc., will be subject to affordable unit restrictions based on the incentive program being utilized. Affordable units required by the land use incentive/entitlements requested and replacement law shall be occupied by eligible Acutely Low (HSC Section 50063.5), Extremely Low (HSC Section 50106), Very Low (HSC Section 50105), Low (HSC Section 50079.5) and Moderate (HSC Section 50093) income households, as applicable. The maximum allowable rent that can be charged to eligible households for some of these restricted units may be lower than IRS Code Section 42 LIHTC (CTCAC) rent limits.

Before applying to the Homes for LA NOFA, applicants should review the RUD and Land Use Covenant requirements and application forms, which are available through LAHD's website at <https://housing.lacity.gov/partners/developer-resources>, or contact LAHD-Landuse@lacity.org with questions. Applicants are strongly encouraged to submit their RUD and Land Use Covenant applications as soon as possible to allow LAHD ample processing time prior to closing.

Land Use Fees

Projects must budget in their proforma the fees that are associated with services provided by LAHD's Land Use Section, e.g. covenant preparation, Replacement Unit Determination, covenant monitoring. These fees are effective as of January 16, 2017. For more information regarding fees, please visit: <https://housing.lacity.gov/wp-content/uploads/2024/03/Schedule-of-Land-Use-Fees.pdf>

Relocation and Displaced Residents

If a new construction project requires residential relocation or permanent displacement, the project should seek to minimize permanent displacement of the site's residents.

Demolition and replacement of single room occupancy (SRO) and Residential Hotel units will be permitted only under the following circumstances:

1. The project is economically non-viable, physically obsolete, or severely distressed; and
2. Where an owner is transferring all of a rental assistance contract under a Rental Assistance Demonstration (RAD) Use Agreement or similar government-sanctioned or court ordered program, the owner must engage in consultation with residents and a nonprofit entity must retain ownership or control of the units to preserve their long-term renewable use and affordability restrictions;
3. At minimum, a project to which assistance is transferred must provide an equal or greater number of decent and safe affordable units with complete private kitchen and bath facilities. Fifty percent (50%) of those units must provide permanent supportive housing with no net loss of units.

If the proposed site is occupied, a Tenant Displacement Assessment and Relocation Plan must be conducted before applying to the Homes for LA NOFA. All projects will be required to adhere to the Uniform Acquisition and Relocation Act of 1970 (URA) or the City of Los Angeles' Rent Stabilization Ordinance (RSO).

Applicants are required to retain up-to-date records of the relocated/displaced tenants' addresses

and to properly notify said tenants of lease-up information. Copies of the notice, with proof of delivery (i.e., copies of notices with tenant's signature or certified/registered mail receipts with postmarked U.S. Postal form PS 3811) must be delivered to LAHD for all tenants that were listed in the Relocation Tenant Rent Roll as of the date of the project's Homes for LA NOFA application.

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SECTION 3: LAHD POLICIES AND PROCEDURES

3.1 Compliance with LAHD Business Policy

LAHD may deny applications from individuals or entities that have not met current obligations to the City, as identified in LAHD's Business Policy. All applicants are subject to background checks to ensure compliance with the Business Policy, in addition to LAHD Code, Rent Registration, Occupancy Monitoring, Accessible Housing Program (AcHP), and Portfolio Management requirements. Submittal of a proposed project by an applicant that is not in compliance may result in disqualification of the project.

Homes for LA NOFA awardees are required to comply with LAHD Business Policy, inclusive of LAHD Code, Rent Registration, Occupancy Monitoring, Accessible Housing Program (AcHP), and Portfolio Management requirements.

LAHD has worked with a substantial number of developers over the years to create affordable housing. However, in some cases, developers exceeded their capacity to complete projects that have received City funding commitments. In response, LAHD received approval from the Mayor and City Council to adopt the Department's Business Policy. Applicants and their business partners who are in violation of the Business Policy are disqualified from LAHD solicitations.

Non-compliance includes, but is not limited to, any monetary or non-monetary compliance issues, such as failure to submit payments when due, failure to submit required financial statements in a timely manner, failure to submit documents verifying adherence to rent regulatory agreements when required, failure to comply with the requirements of any rent regulatory agreement or covenant, and failure to correct any building deficiency noted by any governmental agency in a timely manner.

LAHD will conduct a background check internally, based on the information provided to determine if any outstanding financial statements, residual receipts payments, Rent Registration or Code (SCEP), or Land Use Monitoring fees are due, if there are unpaid property taxes, lapsed insurance, Occupancy Monitoring (tenant eligibility) issues or issues concerning Accessible Housing Program (AcHP) compliance, Affirmative Marketing due to non-listing on <https://lahousing.lacity.org/AAHR>, outstanding cited habitability violations, and/or if the property is in any of the City's compliance programs due to unabated habitability violations (i.e. REAP). Failure to disclose all applicable properties may result in disqualification of the application.

3.2 Misrepresentations or Material Changes to the Project

Any changes regarding the borrowing entity or changes to the project's design, including but not limited to unit count, unit configuration, and/or financial structure of either the applicant or the project, subsequent to the submittal of the Homes for LA NOFA application must be communicated to LAHD in writing, and may require Council approval. In the event misrepresentations are made regarding either the borrowing entity or the project, LAHD's commitment will be cancelled.

3.3 Security

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

3.4 Standardized Pet Policy for projects within the City of Los Angeles

Ordinance No. 186228 (Ordinance) is a City of Los Angeles ordinance adding Article 17 to Chapter IV of the Los Angeles Municipal Code and is entitled “Pet Ownership in Publicly-Financed Housing Developments”, authorizes tenants of new or rehabilitated multifamily housing financed, in whole or in part, by the City of Los Angeles on or after the effective date of the Ordinance, to have at least one pet in a rental unit consistent with applicable Federal, State and Local Laws.

The Ordinance defines a “Pet” as a common household domesticated animal such as a dog, cat, rabbit, bird, mouse, rat or similar small rodent, fish or turtle that is kept in the home for pleasure rather than for commercial purposes. “Pet” shall not include any equine (including any horse, pony, donkey, burro or mule), swine, sheep, goat, cattle, poultry or other similar livestock, and shall not be kept in an affordable housing unit for commercial purposes. If this definition conflicts with any applicable state law or regulation defining the pets that may be owned or kept in residential dwellings, the state law or regulation shall apply. Specific Homes for LA NOFA policies and guidelines for this Ordinance are outlined in Exhibit 08.

The Ordinance requires landlords to maintain and provide a copy of pet policies to tenants. A Project’s pet policies shall include all mandatorily required policies and may also include discretionary guidelines designated by the owner or operator and specific to each Project. Mandatory and allowable discretionary policies are outlined in Exhibit 08.

3.5 Assurances and Conditions Certification

The authorized signatory(s) for each applicant organization must read the Assurances and Conditions outlined below and submit a completed Assurances and Conditions Certification form (Document 25). By doing so, the applicant acknowledges understanding of an agreement with the following provisions that will be required at the time of contract negotiations:

3.6 Affirmative Action

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

3.7 Insurance

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

3.8 Service Contract Worker Retention Ordinance and the Living Wage Ordinance (SCWRO and LWO)

The chosen contractor(s) shall comply with all Los Angeles Administrative Code (LAAC) Sections 10.36 et seq., SCWRO and LWO. A Declaration of Compliance must be approved by the Department of

Public Works, Office of Contract Compliance prior to contract execution.

3.9 Equal Benefits Ordinance (EBO)

The chosen contractor(s) must be certified as compliant. **Certifications:** Applicant(s) shall provide copies of the following documents to the LAHD:

- Certification regarding ineligibility, suspension, and debarment as required by Executive Order 12549.

Certification and Disclosure Regarding Lobbying. Contractor(s) shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure, or which materially affects them with the Los Angeles Administrative Code Section 10.8.2.1, EBO, prior to the execution of any City Agreement. The EBO forms must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

3.10 Slavery Disclosure Ordinance

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

3.11 MBE/WBE/OBE Subcontractor/Supplier Information

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

3.12 Article XXXIV (Article 34) Letter

Applicants are highly encouraged to contact the LAHD Housing Development Bureau prior to the NOFA application deadline to confirm the availability of Article 34 Authority in the Council District where the project is located. Contact information is written below.

LAHD
Housing Development Bureau
Attention: <u>Article 34 Unit</u>
Email: <u>lahd-article34@lacity.org</u>

LAHD will issue an Article 34 letter for projects that receive HUD funding through the Pooled Sources Multifamily Program or Pooled Sources Preservation Program whenever the Department receives a request from its project sponsor for such a letter. For leveraged Homes for LA NOFA projects within the Homes for LA NOFA, prior to a TCAC deadline during the "Readiness" stage, LAHD will also issue this letter and include the relevant approval forms that are required in a TCAC application funding round.

3.13 Amendment and Modification Fees

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

3.14 Disallowed Costs

LAHD reserves the right to disallow any costs which it believes to be excessive, avoidable, unwarranted or disallowed pursuant to any and all funding guidelines. Additionally, LAHD will not approve a loan based on costs that are unreasonable or inconsistent with industry standards.

SECTION 4: HUD-FUNDED PROJECTS ONLY

4.1 Compliance with HUD

All funding for the Pooled Sources Multifamily Program and Pooled Sources Preservation Program is subject to HUD requirements, in addition to all other applicable federal, state and local laws. Regardless of the leveraged funding source, all Pooled Sources Multifamily projects and Pooled Sources Preservation projects within the Homes for LA NOFA will be underwritten assuming HUD HOME Investment Partnership Program Funds (HOME). Therefore, projects must be in conformance with Code of Federal Regulations (CFR) Title 24 Part 92 Subpart F. Specifically, 24 CFR § 92.251 pertaining to property standards, including but not limited to 1) state and local codes, ordinances, and zoning requirements, 2) accessibility, 3) disaster mitigation, 3) written cost estimates, 4) construction progress inspections, and 5) broadband infrastructure, and 24 CFR 92.359 pertaining to requirements under the Violence Against Women Act. All units assisted by HOME Funds must be affordable to households at or below 60% of the Area Median Income (AMI) for the Los Angeles-Long Beach CA HUD Metro FMR Area and/or State HCD AMI.

4.2 Davis-Bacon Wage Requirements

The U.S. Department of Labor (DOL) issues Davis-Bacon Work Determinations reflecting prevailing wages and benefits paid by the construction industry within specific localities. The Work Determinations are further classified by the nature of the construction projects performed, specifically listed as "schedules": residential, building, highway, and heavy construction. For more information, consult the Homes for LA NOFA Regulations Appendix or refer to the DOL webpage on Federal Davis-Bacon Wage Determinations at <https://www.sam.gov/wage-determinations>

Residential Construction: Includes the construction, repair or alteration of single-family houses, or apartment buildings of no more than four stories in height. This includes all incidental items such as site work, parking areas, utilities, streets, and sidewalks.

Projects utilizing LAHD funds will be subject to the payment of wages to laborers and mechanics at a rate not less than the minimum prevailing wage rate specified by the Secretary of Labor, in periodic wage determinations (Davis-Bacon Wages), in conformity with either HOME, CDBG, NSP or other applicable federal funding regulations.

4.3 Environmental Review

The National Environmental Policy Act (NEPA) was established in 1969 to give environmental values appropriate consideration in decision-making with regard to federally-funded projects. Because some projects funded under these Homes for LA NOFA Regulations assume federal funds, the environmental review process and clearance must meet NEPA standards. Therefore, all applicants utilizing HOME funds, as well as any other applicants planning to leverage federal funds in their project capital stack shall be required to obtain a NEPA environmental clearance before undertaking or committing any funds to physical or choice-limiting actions, including further property acquisition, demolition, movement, rehabilitation, repair or construction. Violation of this provision may result in the denial of funds.

An option agreement on a proposed site or property is allowable prior to completion of the environmental review, on the condition that: 1) the option agreement is subject to a determination by the LAHD on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58 and, 2) the cost of the option is a nominal portion of the purchase price.

In addition, projects must meet the requirements of the California Environmental Quality Act (CEQA) and obtain CEQA clearance through the City of Los Angeles' Department of City Planning (Exhibit 02). NEPA and CEQA environmental laws differ in their requirements; project approval under CEQA does not constitute NEPA project approval, and vice-versa.

The provision of any funds to the project is conditioned on LAHD's determination to proceed with, modify or cancel the project based on results of the NEPA environmental review. An initial letter stating that funds will be awarded to the project does not constitute a commitment of funds or site approval until satisfactory completion of a NEPA environmental review with a letter of clearance and receipt by the City of Los Angeles of an Authority to Use Grant Funds from HUD under 24 CFR Part 58.

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

Applicants utilizing federal funds must certify that the general contractor, subcontractors and/or service providers will comply with HUD Section 3 requirements to provide opportunities for employment to lower-income neighborhood residents in the City of Los Angeles. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to local businesses. In addition, contractors, subcontractors and/or service providers will be expected to adhere to the City's Affirmative Action Requirements.

4.5 General Information Notices

Uniform Relocation Assistance (URA) Regulations require that persons living in housing where federal funds will be utilized for acquisition, rehabilitation and/or redevelopment of the project, be notified that they will not or may be displaced as a result of the proposed project. HUD requires that tenants be provided with a General Information Notice (GIN) (available [here](#) on the HUD website) as soon as feasible. For the purposes of these Home for LA NOFA Regulations, the term "as soon as feasible" is defined as the date that the applicant receives a funding award through the Homes for LA Notice of Funding Availability.

It is therefore required that copies of the GINs that are sent to each of the tenants residing at the project site, along with proof/s that the notices were received by the intended recipients, be submitted to LAHD before Homes for LA NOFA funds are released to an applicant. In addition, the GIN must state that local, State, and/or Federal regulations regarding relocation or displacement payments may apply.

The exception to this requirement is if the developer can provide evidence of good cause as to why it

was infeasible to issue GINs and provide proof of service at the time of Notice of Funding Availability application. In this instance, the developer must submit, along with the tenant rent roll, a written statement detailing why it was not feasible to serve the GINs.

However, in all cases, GINs must be served within 30 days of receipt of a loan commitment and evidence of such notices must be received by LAHD within 30 days of service to the tenant(s). If the project fails to secure a funding commitment, either through the Homes for LA NOFA or the chosen leveraging source(s), all GINs must be rescinded. In no case shall the LAHD maximum subsidy exceed the most recent maximum per-unit subsidy limits under the HOME Program published by HUD. Supportive Housing/Special Needs subsidy is applied on a per-unit basis, not on a per-bed basis.

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SECTION 5: THRESHOLD REQUIREMENTS, DOCUMENTS, AND DEFINITIONS

For applications to be considered complete, all applicable items listed in the threshold requirement checklist must be submitted. This section provides universal definitions for threshold requirements that occur across the Homes for LA NOFA's various funding programs, first presenting the information in the form of a checklist, followed by a more detailed explanation of the required standard for each item. **The term sheets have threshold requirements that are specific to each funding program. The term sheets refer back to the definitions in this section.**

If an application does not meet these threshold requirements, it will not be considered for the Homes for LA NOFA. Determination of completeness and compliance with thresholds and scoring of the application shall be based entirely on the application and all documents submitted therewith as of the filing deadline. No additional documents shall be accepted subsequent to the application filing date, except as specifically initiated and requested by LAHD.

Threshold Item	Required Documents
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma;
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clear Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition
4: Project sponsor must pass Sponsor Portfolio Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;

Threshold Item	Required Documents
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must comply with LAHD architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit conceptual architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards and optional Enhanced Accessibility Program (EAP) Checklist;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;

Threshold Item	Required Documents
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
16: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 16: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
17: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs) and/or other long-term operating subsidy;
18: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;
19: For ULA Acquisition & Rehabilitation projects only, Sponsors must demonstrate that project is expiring covenants	Document 19: Sponsor must provide the deed of trust and covenant agreement on the property with expiring covenants or expiring Housing Assistance Payment (HAP) contract;
20: For Preservation and/or Operating Assistance only, Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 20: Sponsor must submit a detailed Stabilization Plan demonstrating how NOFA funds will support the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;
21: For ULA projects with at least 40 units only, construction must comply with a Project Labor Agreement	Document 21: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the City of Los Angeles Board of Public Works Master Project Labor Agreement;
22: For ULA Alternative Models projects only, Project must address neighborhood level needs	Document 22: Project sponsor must submit a Statement of Public Purpose;

Threshold Item	Required Documents
23: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project must address racial disparities	Document 23: Project sponsor must provide a Racial Equity Commitment;
24: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project incorporates tenant governance and development team has tenant governance experience	Document 24: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;
25: For ULA Alternative Models projects only, Project sponsor must engage community to identify environmental hazards beyond baseline Environmental Site Assessments (ESA)	Document 25: Project sponsor must submit an Enhanced Environmental Health Commitment narrative for any projects located in an area at 80th percentile or above in the CalEnviroScreen 4.0;

Document 1: UNOFA Application and Financial Proforma

In combination with the completed multi-agency online Universal Notice of Funding Availability (UNOFA) application, applicants must upload a completed financial proforma using the UNOFA proforma workbook template that is available for download in the UNOFA website. This applies to all types of projects (except those applying to the ULA Operating Assistance Program) i.e., 9% LIHTCs, 4% LIHTCs, and non-LIHTCs.

The proforma must show positive cash flow and Debt Service Coverage Ratio (DSCR) of 1.15 or more for at least 15 years. The proforma must also provide a minimum 10% hard cost contingency for new construction and a minimum 15% hard cost contingency for preservation projects with rehabilitation.

Document 2: Conflicts of Interest and Liabilities Disclosure Form

The applicant/developer shall provide a list of all partnerships, corporations, joint ventures, and/or limited partnership entities (including the Applicant, if applicable), which the applicant currently is or has been associated with, and designate whether the applicant is/was a principal and list the applicant's title and responsibilities, including the purpose of the organization and its current status. Applicants must complete LAHD's Disclosure Form and submit a signed and certified version as Document 2.

In addition to identification of related parties, the Disclosure Form will require the sponsor to disclose

defaults, foreclosures, bankruptcies, citations, criminal proceedings, civil litigation, and any other potential conflicts of interest or major legal liabilities. The project sponsor must provide explanations for any areas of concern, and LAHD, in its sole discretion, will determine if the explanation is acceptable. The Disclosure Form will also commit the project sponsor to providing an updated disclosure in the event that a new concern arises over the course of LAHD's commitment to the project.

Document 3: Preliminary Title Report and Demonstration of Site Control

Title Report

Regardless of the type of site control documents that will be submitted, all applicants/developers shall submit with the application, a copy of a Preliminary Title Report on the property/ies, which is prepared within ninety (90) days from the application deadline.

Site Control

A proof of site control must be submitted at the time of application. The site control must be demonstrated for a minimum of sixty (60) days post application deadline. The evidence of site control may be demonstrated by any of the following documents:

1. Fee title as demonstrated by a current title report;
2. Long-term leasehold interest (minimum term must equal the term of LAHD regulatory agreement);
3. Option to purchase or lease (obtaining financing shall be the sole impediment to exercising the option);
4. Executed land sale contract or other enforceable agreement for acquisition of the property;
5. An executed Disposition and Development Agreement (DDA) with a public agency (e.g., the Community Redevelopment Agency);
6. For L.A. City-owned sites and other public agency-owned sites (except for the Los Angeles County Metropolitan Transportation Agency or "Metro"), LAHD shall accept:
 - a. fully-executed DDA; or
 - b. an Option to Lease or an alternative document that meets CTCAC's site control requirement; or
 - c. a fully-executed Exclusive Negotiation Agreement (ENA) with deal terms that demonstrate the project will be able to meet the proposed project timeline as shown in the project's application.
 - d. For sites owned by the Metro, an executed Exclusive Negotiation Agreement is acceptable at application. Prior to consideration for inclusion in LAHD's funding recommendation, a fully executed Disposition and Development Agreement (DDA) with that agency shall be required by LAHD.

Site Control Stipulations

The relative agreement must be:

1. Executed by both parties, including the principal of the developer and

2. Provide site control for at least sixty (60) days beginning from the deadline for submission of the Notice of Funding Availability application; the sixty (60) days can include all extensions provided in the agreement. In the event that City Council and Mayoral approval takes longer than sixty (60) days, the City will require confirmation of continuing site control prior to taking the project to City Council.

If an original Purchase and Sale Agreement that is submitted with the application has a term that is shorter than sixty (60) days, LAHD will accept this document only if it contains a provision that allows for an extension of the escrow. During the NOFA review period, in order for their application to move to the next phase of the underwriting, project sponsors shall be responsible in notifying LAHD if they:

1. Have secured the extension of the escrow, or
2. Have purchased the property, or
3. Wish to withdraw the application. After notifying LAHD, project sponsors shall submit proof that the escrow has been extended or that the property has been purchased.

LAHD will make available a reasonable amount of information on the status of each application under review at several milestones, including, but not limited to, initial applicant list and release of staff recommendations to City Council, prior to the final approval by City Council and concurrence by the Mayor. However, LAHD cannot commit to providing a formal acceptance into the Homes for LA NOFA in less than 180 days from the deadline for submission of the Notice of Funding Availability application. Applicants must be aware that sufficient “site control” shall be required by LAHD at the time of CTCAC application.

Proof of Voluntary Acquisition Letter

The Proof of Voluntary Acquisition letter clarifies that the property will not be acquired through the power of eminent domain, and that the sponsor does not have the authority to compel such an acquisition.

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

Document 4: Sponsor Portfolio Underwriting

All applicants will be evaluated per LAHD Sponsor Underwriting and determined to have acceptable experience and financial strength in order to proceed to scoring.

Sponsors must submit Audited Financial Statements (AFSs) with a lookback period of three (3) years, as well as a Real Estate Owned (REO) Schedule.

Applications must identify all members of the Development Team, including a State- Certified Access Specialist Program consultant (CAsp) and consultant’s CAsp license or certification number. For more information on CAsp, see Section 7.4.1 of the Homes for LA NOFA.

The following documents must be submitted at the time of Homes for LA NOFA application:

- An organizational chart of the proposed ownership structure
- List of Entities and Names of Partners
- LAHD Credit Check Authorization
- List of Board of Directors dated and executed within 90 days prior to the application
- Applicant's/Borrower's Certification Statement, see
- Board Resolution or Evidence of Consent from Majority Partnership Interest

For the purposes of the Notice of Funding Availability application submission, the Board Resolution shall be executed within ninety (90) days prior to the application deadline, and shall indicate the date of execution. The Board Resolution, at a minimum, shall contain the following language:

- Authorization to participate in the LAHD Homes for LA NOFA;
- Authorization to enter into and execute any and all contractual obligations, including but not limited to the City of Los Angeles Land Use Regulatory Agreement, Loan Agreement, and other documentation, as may be required by the City of Los Angeles
- Names and offices of the authorized signatories who may act on behalf of the corporation, based on the required categories below.
- In addition, at the time of Project Readiness (sixty days prior to CTCAC deadline), and the Project Loan Closing, an updated Resolution will be required to include a loan amount.

Document 5: Appraisals

All applicants shall provide an "as-is" appraisal and/or "as-built" appraisal with a date of valuation that is within 180 days before or after the execution of a purchase contract of the transfer of ownership by all the parties, or within one year of the application date if the latest purchase contract was executed within that year.

Appraisals shall be prepared by a California certified general appraiser having no identity of interest with the development partner(s) or intended partner or general contractor. "As-is" appraised value means the estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. "As-built" appraisal means the estimate of the market value of real property based on the proposed use considering proposed improvements and supportable income based on the improvements. For capital projects, LAHD will require **both** an "as-built" appraisal and an "as-is" appraisal. The appraisal must also meet the Uniform Relocation Act definition of an appraisal. Additional appraisal requirements are listed in the regulations, which at a minimum shall follow the LIHTC regulations if the project seeks to leverage tax credits.

Document 6: Phase I Environmental Site Assessment or Phase I with Required Phase II

Environmental Site Assessments (ESAs) are required for all projects involving major construction and/or rehabilitation.

Phase I Environmental Assessments must follow the standards outlined in American Standards of Testing and Materials (ASTM) E 1527-13 and ASTM E 1527-21, to determine the potential presence of onsite and neighboring property contamination (including but not limited to lead-based paint, asbestos, methane, and radon). The Environmental Assessment must have been completed within the 24 months prior to the date of the application deadline. If a project's Phase I Environmental

Assessment indicates the need for further assessment, the sponsor must submit a Phase II report or a commitment to undertake the Phase II assessment. The applicant must include a cost estimate for any required remediation.

The Environmental Assessment must indicate if the site falls within an area of the City that requires special investigations or analysis on LIQUEFACTION, EARTHQUAKE-INDUCED LANDSLIDE, AND FAULT-RUPTURE HAZARD. Those areas are as follows:

1. State Mapped Zones requiring Liquefaction and Landslide investigation/ mitigation per the Seismic Hazard Mapping Act, State of California Public Resources Code, Section 2690 et seq;
2. Alquist-Priolo Earthquake Fault Zones per the State of California Public Resources Code, Section 2620 et seq, and City of Los Angeles PFRSA. All of the zones or areas listed above may be viewed at the following website: <http://navigatela.lacity.org/navigatela/>

If the Phase I and/or Phase II reports were completed, but the completion date is more than 24 months prior to the application date, an updated Phase I and/or Phase II report, or a technical memorandum from an independent consultant is required confirming that the findings and conditions as indicated in the report are still the same. The original reports including the memorandum are required at the application submission.

Document 7: Soils Report

All new construction projects must submit a Soils Report completed within the past 24 months of the Notice of Funding Availability application deadline, for the purposes of evaluating the geo-technical engineering characteristics of the on-site subsurface soils relative to the anticipated development.

The report shall include the items below:

1. Description of the field exploration and laboratory tests performed;
2. Evaluation of soil liquefaction potential;
3. Conclusions and recommendations relating to construction of the proposed residential development, based upon the analyses of data from exploration and testing programs;
4. Knowledge of the general and site-specific characteristics of the subsurface soils.
5. The liquefaction potential analysis shall be based on the maximum historic groundwater level in accordance with CGS Special Publication 117, the SCEC Recommended Procedures, and LAMC 91.1804.5. Seismically induced total and differential settlements and lateral spreading shall be evaluated and reported.
6. Reports for sites occupied by structures must include subsurface investigations that are conducted in compliance with, and subject to, City of Los Angeles Department of Building and Safety standards.

If a Soils Report was completed but the completion date is more than 24 months prior to the application date, an updated Soils Report, or a technical conformance memorandum from an independent consultant is required to confirm that the findings and conditions as indicated in the report are still the same. The original report including the memorandum are required at the time of application submission.

Document 8: Lead/Asbestos

All rehabilitation projects and new construction projects that involve demolition of existing structures

in advance of the rehabilitation or new construction, must submit an asbestos assessment and lead-based paint report completed within the twelve months prior to the date of the application deadline.

For new construction projects where there is complete demolition of all existing structures, the applicant may submit a letter in lieu of a lead test and/or asbestos assessment report indicating that the presence of lead and/or asbestos is/are assumed and the appropriate federal, state, and local lead and/or asbestos hazard abatement protocols will be followed.

For occupied sites, assessment must include minimally invasive sampling of readily accessible surfaces. Testing for asbestos shall be subject to AQMD standards. As it relates to lead-based paint, testing and compliance shall be consistent with those standards outlined in HUD's "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (July 2012), including Chapter 7, Lead-Based Paint Inspection, which are the industry standard.

If the assessment determines that lead and/or asbestos is present, (except for new construction with complete demolition of the existing structure demolition as indicated above), a Lead and/or Asbestos Abatement Plan must be submitted. The applicant must include a cost estimate for any required abatement.

Document 9: Conceptual Architectural Plans or Schematics

For all projects involving major construction and/or rehabilitation, the Super NOFA application must include an electronic copy of schematic drawings or conceptual architectural plans. For Rehabilitation Projects only, preliminary architectural plans will be sufficient to satisfy this requirement.

Architectural plans must meet the most recent TCAC standards for living space dimensions and unit sizes. For additional information regarding Architectural Design Review and submittal requirements, including standards for finishings, HVAC systems, and appliances, please refer to Exhibit 01.

For ULA-funded New Construction projects, architectural plans must show that the project provides at least 40 units.

For all Homes for LA NOFA projects, project development teams are required to familiarize themselves with Enhanced Accessibility Program standards and indicate, via architectural plans, how and which standards the projects will follow.

Document 10: Competitive Criteria Self-Score Form and Minimum Competitive Score

A completed Self-Score Form for Competitive Criteria – Points System, is required at Homes for LA NOFA application deadline. The Self-Score Form will also require the applicant to certify that they have read the Homes for LA NOFA Regulations in its entirety.

The Homes for LA NOFA scoring methodology calculates some points on a relative basis, meaning that some scores can only be estimated until all applications are evaluated by LAHD staff. Project sponsors are encouraged to estimate to the best of their ability if the available information is not sufficient to arrive at a precise point score in every criterion.

Document 11: Relocation Project Summary Assessment

The Relocation Project Summary Assessment form must be valid and within six months of the application deadline. In addition, a copy of the relocation consultant's proposed or executed service agreement or contract, and the consultant's resume/qualifications must be provided. Applicants shall submit the following minimum threshold documents:

1. Relocation assessment
2. Resume/Qualifications of the Relocation Consultant
3. A completed Relocation Tenant Rent Roll as of the date of the project's NOFA application
4. Completed Project Summary Assessment form pertaining to Relocation
5. Proof of lease and/or payments(including cancelled checks and/or signed lease)

Document 12: Replacement Unit Determination (RUD)

Projects may be subject to affordable replacement requirements per the Housing Crisis Act of 2019, the Resident Protections Ordinance (LAMC 16.60), or specific plan replacement requirements, which may require like-for-like (i.e. same bedroom and bathroom) replacement of existing units. All development projects that demolish or remove dwelling units, with some exceptions for industrial projects, must submit a Replacement Unit Determination (RUD). Any affordable replacement unit(s) required per the RUD shall be replaced at an affordable rent per California Health and Safety Code (HSC) Section 50053 or at an affordable housing cost per HSC Section 50052.5.

Document 13: Accessibility Self Certification Form

All applicants/developers shall complete and submit a signed Access Compliance Certification Form (CFC) with the Homes for LA NOFA Application, certifying that the project shall be designed, constructed, and thereafter maintained in compliance with all applicable federal, State, and local accessibility standards. The CFC certifies that, of the total number of units in each project, the following requirements will be met:

- For New Construction and Adaptive Reuse Projects: ten percent (10%) of the total number of units in each development shall be accessible to persons with sensory impairments and fifteen percent (15%) of the total number of units in each development shall be accessible to persons with mobility impairments.
- For Rehabilitation Projects: four percent (4%) of the total number of units in each development shall be accessible to persons with sensory impairments and ten percent (10%) of the total number of units in each development shall be accessible to persons with mobility impairments.

If additional funding sources are braided into an LAHD-funded project and apply more restrictive standards for accessibility, the more restrictive standards will prevail.

Applicants seeking additional scoring priority through the Enhanced Accessibility Program must also complete the EAP Checklist.

Document 14: Milestones Commitment Letter

Timely production of affordable housing is a core objective of the 2025 Homes for LA NOFA, and project sponsors are required to provide a Milestones Commitment Letter as part of threshold review. The Milestones Commitment Letter must outline, as applicable, key pre-development and

construction activities and timelines for completion thereof, including expected completion of capital stack, submission of building permits and start of construction. LAHD reserves the right to rescind funding commitments to projects that are awarded, but subsequently fail to reach milestones.

Document 15: Assurances and Conditions Form

The Assurances and Conditions Form commits the project sponsor to complying with LAHD business policy and general city requirements such as the Equal Benefits Ordinance, affirmative action policies, insurance requirements, and living wage ordinance.

Document 16: CTCAC or CDLAC Scoring Certification

The applicant must submit an executed Applicant's/Borrower's Self-Score Certification Statement indicating that the affordable housing development can achieve the maximum points to be competitive, based on the scoring system of the most recently adopted CTCAC/CDLAC Regulations.

For 9% LIHTC projects, the applicant must self-certify that the affordable housing development can score the maximum points in the most recently released CTCAC application in effect at the time of the Homes for LA NOFA application deadline. This includes, but is not limited to, the "Readiness" section of the CTCAC application. For 4% LIHTC projects, the applicant must self-certify that the project can score 119 or 120 points in the most recently released CDLAC regulations in effect at the time of the Homes for LA NOFA application deadline.

Any application proposing a 9% LIHTC financing structure that will compete for a tax credit allocation under the CTCAC's Nonprofit Set-Aside, Special Needs Set-Aside, or "At-Risk" Set-Aside, shall use an amount of LAHD subsidy, in combination with other leveraging sources, that is necessary to achieve a tie-break score that is higher than the lowest winning Final Tie-Break Score of the respective Set-Aside from the last CTCAC funding round relative to the Homes for LA NOFA application deadline.

Any application proposing a 4% LIHTC financing structure that will compete for a tax-exempt bond allocation under CDLAC's Rural Projects Set-Aside, Preservation Projects Set-Aside, Other Rehabilitation Projects Set-Aside, BIPOC Set-Aside, Homeless Set-Aside, ELI/VLI Set-Aside, or Mixed-Income Set-Aside shall demonstrate a tie-break score sufficient to sufficient to attain an allocation in the last CDLAC funding round prior to the Homes for LA NOFA application deadline.

Document 17: Evidence of Project-Based Vouchers (PBVs)

For Permanent Supportive Housing (PSH) projects, sponsors must demonstrate the commitment of Project-Based Vouchers (PBVs) and/or other operating/rental subsidies. A commitment or award letter from the agency or organization providing the vouchers/subsidy must be submitted as part of the application.

Document 18: Capital Needs Assessment and Scope of Work

For Preservation program projects, sponsors are required to submit a Capital Needs Assessment (CNA) identifying all current and anticipated capital and/or maintenance needs within the next five (5) years, and a proposed Scope of Work (SOW) detailing maintenance, repairs, and rehabilitation, and capital improvements to be undertaken. Projects are required to complete, at minimum, the items indicated within the SOW and as supported by the CNA. If a Capital Improvement Plan is part of the SOW, that must be included in the application.

Document 19: Proof of Expiring Covenants

For Preservation Program projects qualifying on the basis of expiring covenants, sponsors must provide a copy of the property's affordability covenant or Housing Assistance Payment (HAP) contract, which must show affordability expiry of no less than ten (10) years from the date of project onset.

Document 20: Stabilization Plan and Exit Strategy

For Preservation projects, applicants must submit a Capital Stabilization Plan that addresses the timing and phasing of construction in such a way that minimizes disruption, including displacement, to existing residents.

For ULA Operating Assistance projects, applicants may resolve operating challenges through one of three Pathways. Project Sponsors must submit an Operational Stabilization Plan and Exit Strategy, indicating which Pathway a project will take:

Pathway A: Award of ULA Operating Assistance Program funds would fully resolve the project's operating gap, without the use of additional non-Program funding sources. Examples of this may include repairs following a fire or flooding.

Pathway B: Award of ULA Operating Assistance Program funds would bridge the project's operating needs, until a more long-term capital funding source can be accessed. Examples of this may include projects that apply for increased voucher payments under established HUD programs.

Pathway C: Award of ULA Operating Assistance Program funds would provide temporary relief from external structural economic or environmental shocks that impact a project's operating expenses or income but are not directly caused by the project sponsor, including but not limited to industry-wide price increases (e.g., increases in insurance premiums).

Sponsors of projects utilizing either Pathway A or Pathway B are required to demonstrate a financial strategy for feasibility, as demonstrated by positive cash flow for at least 15 years.

Sponsors of projects utilizing Pathway B are required to apply for any and all funding sources identified in their Pro Forma.

Sponsors of projects utilizing Pathway C are not required to demonstrate resolution of operating gaps when Operating Assistance relief terminates. Pathway C projects must instead identify systemic cost drivers or economic shocks beyond their control and show, at minimum, positive cash flow during the term of the Operating Assistance support and operating reserves funded at a level that meets the most current LAHD Project Underwriting Guidelines. Project sponsors must also identify the changes in rent levels or other operating revenue and expenses, as well as changes in funding program requirements that would be needed to make projects feasible even if the economic shock, such as higher insurance or utility costs, does not change.

A sponsor's failure to submit timely and complete applications for external funding sources, or to take

meaningful action toward other milestones named in the Stabilization Plan and Exit Strategy, may result in the inability to apply for other Operating Assistance funds in the future.

Document 21: Project Labor Agreement

For ULA-funded projects with 40 units or more, the project sponsor must submit a Letter of Assent attesting that it will comply with all the terms and conditions of the City of Los Angeles Board of Public Works Master Project Labor Agreement (PLA), or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council.

For more information, please refer to Los Angeles Administrative Code Section 22.618.7.

Document 22: Statement of Public Purpose

To satisfy this threshold item, project sponsors must submit a brief narrative statement that considers the COC's Housing Needs Assessment and other available neighborhood-specific information on a community's housing challenges. The Statement of Public Purpose shall identify the household income targeting, housing typologies that best fit community needs, and cultural/linguistic competencies necessary for project owners to support residents who will be integrating into a high resource neighborhood, or those who seek stable housing in a neighborhood with high displacement risk.

The Statement of Public Purpose should address, but not be limited to, the following:

1. Alignment with ULA Purpose and Goals: Describe how a proposed project would benefit the community in which it is located, meet the public needs identified in the COC's Housing Needs Assessment through the project's community outreach and final design, and advance the goals of the ULA measure and ordinance as defined in the Measure's Section 22.618.1: Purpose
2. Community Outreach and Engagement: Describe community engagement to date, including, but not limited to, any partnership(s) with community organization(s) that are led by and/or represent populations anticipated to be served by the project, and identification of languages that will be used in future outreach/engagement
3. Tenant Governance and/or Ownership: Explain proposed tenure option(s) based on input from community partners(s) and/or community members, as well as financial analysis of feasibility
4. Affordability Levels: Explain proposed affordability levels based on input from community partner(s) and/or community members, as well as available data that evaluates affordability needs at the neighborhood level
5. Unit Size: Explain proposed unit sizes based on input from community partner(s) and/or community members, as well as available data that evaluates unit size needs at the neighborhood level.

Document 23: Racial Equity Commitment

To satisfy this threshold item, project sponsors must demonstrate a commitment to racial equity and reducing racial disparities in housing outcomes, as evidenced by:

1. A profile describing the organization's mission, length of existence, staff experience, characteristics of its Board of Directors, and its commitment to affordable housing and advancing racial equity

2. A narrative analysis of racial disparities in housing outcomes in the organization's geographic coverage area, e.g., income by race, housing cost burden by race, history of displacement of residents of color; and
3. A description of actions the organization is already taking or will take to reduce racial disparities in housing outcomes (e.g., tracking the race and ethnicity of residents served by the organization, engaging with residents to inform the organization's work, marketing projects to different racial and ethnic groups, and using a tenant or homebuyer selection process that does not advantage certain groups and actively mitigates potential inadvertent racial bias).

Document 24: Tenant Governance and Ownership Requirements

For ULA Alternative Models and ULA Acquisition and Rehabilitation program projects, residents shall have a right to participate directly and meaningfully in decision-making concerning the operation and management of projects. Project sponsors must submit a Resident Engagement and Leadership Plan, as well as demonstrate experience with tenant governance.

Resident Engagement and Leadership Requirements

Satisfying this threshold item involves submitting a Resident Engagement and Leadership Plan that includes the following:

1. Meetings to create Community Agreements
2. Monthly gatherings between property management and residents to support community cohesion and raise issues related to the building
3. Quarterly meetings between residents and property management to review operations, management, and adjust Community Agreements
4. Semi-annual meetings between residents and property management to review budgets, financials, and actuals to determine budget priorities
5. Formation of a Resident Council. In a rental property, the Resident Council must be convened without twelve (12) months after the building is initially leased up and must meet regularly. In an ownership property, the Resident Council, whether organized as a homeowners' association, cooperative board, or LEHC, or other similar representative or elected governance body required by state law based on the legal structure of the property, must be convened within the timeframe mandated by law or six (6) months, whichever is less, and must meet as frequently as is mandated by law, but no less than quarterly, to maintain oversight over property management, finances, and community cohesion
6. Resident training, which provides continuous opportunities for residents to learn about all aspects of managing a residential or mixed-use building, as applicable. Resident trainings can be provided by capacity-building networks, including any resident governance capacity-building collaborative established by the City
7. If the property is planned for future conversion from rental to ownership, then financial and design plans for ownership should engage current residents and/or resident representatives such as those on any Resident Council, and such plans should be structured to maximize the retention of current residents and their conversion from tenants to owners
8. If the property consists of condominiums, is an LEHC, or includes another form of ownership, a timeline and process for the establishment and convening of the governing body, as well as the development of policies regarding homebuyer education and access to lending opportunities and down payment assistance, marketing and sales policies that meet Affirmatively Furthering Fair Housing (AFFH) standards, and any applicable Right of Return or Right of First Refusal

policies, and establishment of a Resale Formula.

Tenant Governance Sponsor Experience Requirements

Satisfying this threshold item also involves submitting documentation that the development team has experience owning and/or operating residential properties under tenant governance, or, has nonprofit partner(s) with experience with the same. Experience with tenant governance is demonstrated by submitting the following:

1. Community Agreements that have been created and adopted by residents in at least one property, as well as two or more of the following:
 - a. Resident Council meeting minutes from at least one property; and/or
 - b. Resident Council bylaws adopted by the residents of at least one property; and/or
 - c. CLT ground lease and the bylaws of resident-owned or resident-controlled housing that is the lessee of CLT land, such that, when viewed jointly, the documents demonstrate ongoing relationship between the project sponsor and residents; and/or
 - d. Attestation from residents verifying that the project sponsor has supported a resident-governed property by engaging residents in a collective or representative decision-making process regarding their own rental or ownership housing; and/or
 - e. Demonstrated expertise facilitating community meetings attended by participants with linguistic, cultural, household income and/or other demographic characteristics similar to the anticipated resident population; and/or
 - f. Evidence that current staff have received capacity-building training specific to tenant governance or resident ownership, including, but not limited to, training provided by the ULA-funded Capacity-Building Program.

Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.

Partnerships may take the form of General Partnerships, Limited Partnerships, Limited Liability Companies, or other Special-Purpose Entities (SPEs) where the experienced nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).

Document 25: Enhanced Environmental Health Commitment

To satisfy this threshold item, project sponsors must submit an additional narrative for any projects located within areas with a CalEnviroScreen 4.0 Overall Score in the 80th percentile or higher (or any equivalent score in any successor version of this screening tool). The additional attachment must provide a narrative that meets the following requirements:

1. Community Engagement Requirement: In addition to the site's Phase I Environmental Site Assessment (ESA), the project sponsor will be required to conduct community engagement activities that include a focus on lower-income neighborhood residents who represent similar income categories as are intended to be served by the project, prospective residents, and/or others with lived experience with housing unaffordability and insecurity. Such activities will solicit input in order to complement the Phase I ESA findings by identifying any potential public

health concerns related to conditions on the project site or neighboring sites, including soil conditions, construction materials used in existing or previous improvements, or historic land uses, including conditions who are not officially documented in public agency lists such as the California Department of Toxic Substances Control's (DTSC) Cortese List or otherwise known hazards. The Community Engagement Requirement does not need to be completed at the time of the application submission, but a narrative must be attached to the application describing how the sponsor will incorporate community engagement.

2. Analysis Requirement: Based on the results of community engagement and Phase I ESA findings, the sponsor will commit to identifying any further need for site-level analysis to be conducted by qualified professional consultants
3. Project Design Requirement: As applicable, based on the results of professional analysis and identification of any site-specific conditions which may be linked to public health concerns, the sponsor will commit in writing to designing the project in such a way that will address the anticipated concerns, and to implementing such design features if the project is awarded ULA funding.

SECTION 6: APPLICATION PROCESS

6.1 General Rules

In general, only one application per project, containing one financing structure only, will be accepted by LAHD. Multiple applications for the same project under the same term sheet are never allowed (e.g. an application using a 9% LIHTC structure that is submitted to the same funding program with a separate application using a Tax Exempt Bond/4% LIHTC structure, on a same project, will be declined).

However, cross-submission of applications is allowed between the ULA Operating Assistance Program and ULA Alternative Models Preservation Program. This is because major capital improvements are not an eligible use of the Operating Assistance funds, and some projects may need both operating and capital funds to stabilize. Applicants requesting funds from the Alternative Models Preservation Program and the Operating Assistance Program must submit an application that meets eligibility and threshold requirements for both programs. Projects that meet the requirements for both programs will be considered for funding by both programs.

Cross-submission of the same site is also allowed between any of the three new construction programs: Pooled Sources Multifamily, ULA Multifamily, and ULA Alternative Models New Construction. The three programs have very different funding sources, leverage requirements, income limits, eligibility/threshold requirements, and other features. As such, sponsors submitting applications of the same site to multiple construction programs must restructure each new application's project specifications in alignment with the applicable term sheet requirements. Finally, LAHD will consider each project in the program for which an application has been submitted, but will only make one award based on the application's competitiveness and availability of funds.

See **Table 3** below for a visual summary of allowed and disallowed cross-submissions. And the following conditions will apply to all programs:

1. All applications must be submitted to the UNOFA portal by the required date for each established round of Notice of Funding Availability. Applicants are encouraged to submit their projects as early as possible.
2. Incomplete applications will not be considered for funding. It is the responsibility of the applicant to ensure completeness of their submission.
3. Staff will begin reviewing and underwriting proposals as soon as they are received.
4. Applicants will be subject to a background check to ensure compliance with LAHD Business Policy.
5. All information and support documents relevant to the proposed project must be submitted with the application. The completion of all applicable sections of the LAHD-supplied application is required.

Table 3: Application Cross-Submission Matrix

	Pooled Sources Multifamily	ULA Multifamily	Pooled Sources Preservation	ULA Acq/Rehab Preservation	ULA Alt Models New Construction	ULA Alt Models Preservation	ULA Operating Assistance
Pooled Sources Multifamily							
ULA Multifamily							
Pooled Sources Preservation							
ULA Acq/Rehab Preservation							
ULA Alt Models New Construction							
ULA Alt Models Preservation							
ULA Operating Assistance							



Applicant may submit multiple applications, using the same site and different strategies, to different programs

Applicant may cross-submit the same application to two programs, provided that the application meets eligibility/threshold requirements for both programs

Cross-submission of an application using the same site is not allowed

6.2 Application Submittal and Review

Notice of Funding Availability applicants must use the online application and forms provided or approved by LAHD. Application forms must not be modified, except as directed by LAHD. Applications must be submitted on time. Late and/or incomplete applications will not be accepted.

Applications received after the deadline will not be accepted. Applications submitted through hard copies, facsimiles or email will not be accepted.

6.3 Timing

The appeal must be submitted in writing and received by LAHD no later than seven (7) calendar days following the notification date of the LAHD staff's disqualification or point score determination letter. The appeal letter must be sent to the attention of the Assistant General Manager (AGM) of LAHD Housing Development Bureau. The appeal shall identify specifically the applicant's grounds for the appeal, pertaining to disqualification and/or determination of point score, and shall be based solely upon the documentation submitted at the time of application. Consequently, the appeal review shall be based solely upon the existing documentation submitted by the applicant when the application was filed. LAHD will respond in writing to the appeal letter within 14 days after receipt of the appeal letter.

6.4 Project Readiness Milestones Commitment

LAHD will require awarded projects to achieve Project Readiness Milestones on the timeline provided by the project sponsor. Required milestones include obtaining all necessary entitlements, completion of draft architectural designs, and submission of applications for any and all identified soft sources at the earliest possible funding round following the LAHD commitment.

6.5 Release of Funds

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

SECTION 7: SCORING OF APPLICATIONS

This section discusses the scoring process and criteria used for selecting projects for each of the Homes for LA NOFA's seven (7) programs.

For projects that meet threshold requirements, LAHD will make funding recommendations in descending order starting with the highest scoring application in each funding program until that program's funds have been fully awarded. Applications for any program will compete with other applications for that respective program only, but New Construction Programs share the same base scoring system, Preservation Programs share another base scoring system, and the Operating Assistance Program is scored separately from all others.

Both the ULA Alternative Models New Construction and ULA Alternative Models Preservation Programs provide first priority to applications with Community Land Trusts (CLTs) and/or Special Purpose Entities (SPEs) with CLT participation in the project's ownership. For both these programs, the priority pool for CLT-partnered entities will be considered first for funding awards. If the programs still have funds remaining after awarding applicants in the first pool, then awards will be recommended for projects in the non-priority pool.

For any given funding program, LAHD's General Manager reserves the right to not recommend projects for funding, and instead elect to roll over all or a portion of that program's funds into a subsequent solicitation.

This section first presents an outline of the New Construction base scoring and outlines the additional points unique to each New Construction program. Then, the Preservation base scoring is presented in outline form, with additional points unique to each Preservation program. The Operating Assistance Program's scoring is presented alone.

Finally, this section will elaborate on each scoring criterion in detail and describe the standard by which each criterion would be measured.

Table 4: New Construction Common Scoring Elements (Pooled Sources Multifamily, ULA Multifamily, ULA Alternative Models New Construction)

All New Construction Base Scoring	Points
Feasibility	30
Cost Effectiveness	10
Entitlement Readiness or By-Right/Ministerial Projects	15
Contributions of Land at Less Than Fair Market Value (FMV), Public Land or Land from Faith-Based Orgs	5
Site Efficiency	10
Priority Geographies (TCAC Opportunity Maps)	5
Priority Populations (3BR units or Special Needs or ALI/ELI)	5
No Relocation, or, if Relocation then Must Double Units	10
Enhanced Accessibility Program	10
TOTAL BASE SCORE	100

Additional Program-Specific Scoring Elements:

Pooled Sources Multifamily	Points
TCAC/CDLAC Scoring Competitiveness	25

ULA Multifamily	Points
TCAC/CDLAC Scoring Competitiveness	25

ULA Alt Models New Construction*	Points
Affordability: Option A with Deeper Affordability with 50% Average AMI for the Deed-Restricted Units Only	5
Option B with Moderate Income (80-120% AMI) Deed-Restricted in Lieu of Market Rate	
Amenities	5
Previous Commitment of Funds (e.g., Philanthropic Funds) or In-Kind Contributions	20

*There will be a first priority pool within this program for CLT and CLT partnership applications

Table 5: Preservation Common Scoring Elements: (Pooled Sources Preservation, ULA Acquisition and Rehabilitation Preserving Affordability, ULA Alternative Models Preservation)

All Preservation Base Scoring	Points
Feasibility	20
Entitlement Readiness or By-Right/Ministerial Projects	15
Capital Stabilization Plan	20
Risk of Affordability Loss	15
Priority Populations (Special Needs or ALI/ELI)	5
Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20
Enhanced Accessibility Program	5
TOTAL BASE SCORE	100

Additional Program-Specific Scoring Elements:

ULA Acq/Rehab Preservation	Points
TCAC/CDLAC Scoring Competitiveness	25
History of Tenant Engagement	10

ULA Alt Models Preservation*	Points
History of Tenant Engagement	10

*There will be a first priority pool within this program for CLT and CLT partnership applications

Table 6: Operating Assistance Program Scoring

Criterion	Points
Demonstrated Financial Hardship	40
Stabilization Efforts to Date	10
Operational Stabilization Plan and Exit Strategy	20
% of Units Restricted as ALI/ELI	5
Nonprofits, CLT, and Shared-Equity Tenant Ownership Priority	5
Cost Effectiveness	20
TOTAL SCORE	100

7.1 Feasibility

The Feasibility criterion is intended to ensure that financial projections are rooted in sound assumptions and that adverse scenarios are accounted for.

Half the points in this criterion will be awarded based on LAHD underwriters' evaluations of an application's reasonableness of costs and sufficiency of funding sources. This evaluation will utilize the LAHD Project and Sponsor Underwriting Guidelines to flag cost and financing assumptions that deviate from LAHD's tolerance ranges. LAHD will deduct from the max score for applicants providing estimates that fall outside of these tolerance ranges and which cannot substantiate a basis for the discrepancy.

The other half of the points in this criterion will be awarded based on an application's ability to demonstrate strong cash flow during stress testing. Such tests may simulate scenarios such as changes in prevailing interest rates, increases in construction input costs, and increases in various operational costs. Based on the sensitivity of the variable being tested, LAHD may utilize an absolute standard or a relative standard (i.e., ranking applications against others in the same funding program) to calculate this portion of the Feasibility score.

7.2 Cost Effectiveness

The Cost Effectiveness criterion is intended to prioritize and incentivize projects that achieve efficiencies and/or leverage external funding sources that reduce the project's reliance on City funds.

If more than one application passes threshold review in a given funding program, half the points in this criterion will be awarded based on a project's Total Development Cost (TDC) per rentable square foot relative to the median TDC per rentable square foot of remaining applications within that funding program.

All remaining points in this criterion are awarded based on LAHD loan requested by the applicant divided by the maximum LAHD loan permissible under a given funding program, with 0 points

awarded for a quotient that equals 1.

For the Operating Assistance Program only, all points for the Cost Effectiveness criterion are based on per-unit LAHD loan request relative to the median per-unit LAHD loan request for this funding program.

7.3 Entitlement Readiness or By-Right/Ministerial Projects

Maximum points for Entitlement Readiness is awarded to projects that have secured all necessary planning entitlements or that can demonstrate that the project can be approved by-right or through ministerial approval. A proposed project's readiness can be demonstrated by documents such as Preliminary Zoning Assessment, Zoning Letters, Letter of Compliance, or Determination Letter with approved entitlements.

LAHD will consult with the Los Angeles Department of City Planning, the Los Angeles Department of Building and Safety, or other applicable permitting agency (e.g., County, State or Federal) to verify whether the project as stated is appropriately zoned and in compliance with all applicable zoning and land use requirements.

7.4 Discounted Contributions of Land

Maximum points for this criterion will be awarded to projects that demonstrate contributions of land, including public land, city-acquired sites, or land owned by faith-based organizations, at a discount of 50% or more below Fair Market Value. Discounted sales and/or long-term ground leases will be considered valid contributions of land for this scoring criterion.

7.5 Site Efficiency

Each project should maximize allowable units per acre on the site(s) of the proposed project. Projects will be awarded points for building at or above the base-zoned density on the project site and demonstrating utilization of available development incentives. For multi-phase projects, LAHD will calculate Site Efficiency based on the total unit count from the final proposed buildout.

7.6 Priority Geographies

Maximum points in this criterion will be awarded to projects located in High or Highest Opportunity areas as indicated by the latest version of the TCAC Opportunity Map.

7.7 Priority Populations Served

Maximum points in this criterion will be awarded to projects that set aside an additional ten percent (10%) of units for three bedroom units and/or Special Needs and/or ALI/ELI above whatever is required in that Homes for LA NOFA funding program.

7.8 No Relocation or High Replacement If Relocation

Maximum points in this criterion will be awarded to projects that either do not trigger relocation, or, if relocation is triggered, are able to provide at least double the residential unit count compared to the previous use. For public housing authorities, LAHD will consider unit count from the final proposed buildout of multi-phase projects.

7.9 Retrofit/Rehabilitation Work that Provides Certified Accessible Units

Maximum points in this category will be awarded for projects that have a major rehabilitation component that will result in certified accessible units. Please note that LAHD funds trigger Accessible Housing Program (AHP) retrofits when they are used for projects with major rehabilitation.

7.10 Enhanced Accessibility Program

As required by the Voluntary Compliance Agreement entered into by the City and the U.S. Department of Housing & Urban Development in 2019, competitively allocated housing funds must include scoring points for an Enhanced Accessibility Program (EAP) that gives development points for including additional hearing, vision, or mobility accessibility features.

Applicants who elect to participate in the EAP, shall receive bonus points, and shall:

- Submit a schematic architectural plan that indicates (a) all of the required accessibility design features in Tables 1A and 1B or 1C, and (b) at least 5 of the optional accessibility design features as listed in Exhibit 07 - Enhanced Accessibility NOFA Program;
- For projects competing for extra points through EAP, sponsors must submit a schematic architectural plan that indicates (a) all of the required accessibility design features in Tables 1A and 1B or 1C, and (b) at least 5 of the optional accessibility design features as listed in Exhibit 07 - Enhanced Accessibility NOFA Program; Submit a checklist of the chosen design features. The checklist must be signed and dated by the applicant. (Document 14)

7.11 TCAC/CDLAC Scoring Competitiveness

Maximum points will be awarded to projects that demonstrate the ability to achieve maximum possible points in their pool or set-aside in the most recent TCAC or CDLAC regulations. A score of 119 or above on a CDLAC application will qualify a project for this scoring criterion.

7.12 ULA Alternative Models New Construction: Affordability Bonuses

Additional points will be awarded for projects that meet either of the affordability targets below:

- A. Deeper Affordability with Average 50% AMI for deed-restricted units only; or
- B. Moderate Income with 20% of the project's units deed-restricted between 80-120% AMI in lieu of market rate

7.13 ULA Alternative Models New Construction: Amenity Bonus

Additional points will be awarded for project design that incorporates amenities that are above TCAC minimums, including but not limited to wellness, recreation, commercial and/or cultural amenities that enhance community livability and sustainability, such as affordable groceries, open space, and walking, biking, or transit pathways to access a public school.

7.14 ULA Alternative Models New Construction: Previous Funding Commitment Bonus

Half of the maximum points in this scoring criterion will be awarded for projects that have an existing commitment of funds or other in-kind contributions equivalent to ten percent (10%) or more of the project's total capital stack. These can include soft debt, hard debt, philanthropic funds, and/or any form of public subsidy.

The other half of the maximum points in this scoring criterion will be awarded for projects whose existing funding commitment is structured as an equity stake in the project.

7.15 Capital Stabilization Plan

Half the maximum points in the Capital Stabilization Plan criterion are based on timing and phasing of construction and/or rehabilitation that minimizes disruption to existing tenants.

The other half of the maximum points in this scoring criterion will be awarded based on expected operational stabilization of a project using capital improvements. For example, a project that is experiencing excess vacancy losses due to an elevated number of uninhabitable units would receive these points by showing how repairs might result in increased rental income; or a project experiencing excess utility costs due to obsolete systems would receive these points by showing how upgrades to heating systems might result in decreased heating/cooling costs.

7.16 Risk of Affordability Loss

For projects claiming both financial hardship and expiry of covenants, half the maximum points in the Risk of Affordability Loss criterion are based on imminent expiry of affordability covenants. The project with the most imminent expiry would receive the maximum possible points in this suballocation. Points in this suballocation will also be awarded for projects that have issued a three (3) year notice pursuant to section 65863.10 of the California Government Code, also known as the State Preservation Notice Law.

The remainder of the maximum points in this scoring criterion are based on risk of financial insolvency.

7.17 ULA Preservation: History of Tenant Engagement Bonus Points

Maximum points in this criterion will be awarded to sponsors with a history of outreach to the property's tenants, including but not limited to attestation and/or meeting minutes from an organized group of the property's residents, or a letter of support signed by a majority of the building's

households.

7.18 ULA Operating Assistance: Demonstrated Financial Hardship

Maximum points in this criterion will be awarded to projects determined to be in financial hardship based on the following criteria: negative cash flow for two (2) of the last three (3) years, insufficient operating reserves, and exhaustion of previous efforts to raise funds to partnerships or lending facilities.

7.19 ULA Operating Assistance: Stabilization Efforts to Date

Points in this criterion are awarded based on previous meaningful corrective measures to bring down operating costs or address financial challenges.

7.20 ULA Operating Assistance: Operational Stabilization Plan and Exit Strategy

Points in this criterion are awarded on the basis of underwriting of the applicant's plan, including LAHD underwriting evaluation of reasonableness and sufficiency of Sources and Uses, as well as financial stress testing of the proforma's assumptions.

Additionally, Operating Assistance applications are required to choose between three pathways for assistance, based on their ability to resolve operational challenges within the two (2) year assistance timeframe (see Section 5: Threshold Requirements, Documents, and Definitions). Pathway A and Pathway B projects will additionally be scored on their ability to achieve stable operations upon sunset of Program relief.

7.21 ULA Operating Assistance: Percentage of Units Restricted at ALI/ELI

Maximum points in this criterion will be awarded for projects that reserve more than 10% of units for households at ALI and ELI.

7.22 ULA Operating Assistance: Nonprofit, CLT, and/or Shared-Equity Tenant Ownership

Maximum points in this criterion will be awarded for projects that are owned by nonprofits, CLTs, and/or Shared-equity entities.

SECTION 8: FEDERAL AND STATE WAGE AND LABOR REQUIREMENTS

8.1 Federal Wage Requirements

All projects utilizing HOME funds will be required to pay wages to laborers and mechanics at the Davis-Bacon wage rates, at minimum. However, any project funded in whole or in part with Community Redevelopment Agency (CRA) and/or other State funds are subject to State Prevailing Wage Requirements.

All projects located within the City of Los Angeles, including tax-exempt bond-financed projects, must pay wages to laborers and mechanics at either the Davis-Bacon wage rates or State of California prevailing wages, whichever are higher for each job classification.

For both Davis-Bacon and State Prevailing Wage projects, the final wage decision to be employed will depend upon the height (number of stories) of the project. **Applicant/developer shall be responsible for complying with the applicable wage scale as determined by the City.**

8.2 State Wage Requirements

Any project funded in whole or in part with public funds, including Community Redevelopment Agency (CRA/LA) or other State funds is subject to State Prevailing Wage Requirements.

Pursuant to the California Code of regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. The residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates.

According to the definitions contained in Title 8, Section 1504 of the California Code of regulations, the following is the definition of a building story:

“That portion of a building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a basement, cellar or unused underfloor space is more than 6 feet above grade as defined herein for more than 50 percent of the total perimeter, or is more than 12 feet above grade as defined herein at any point, such basement, cellar or unused underfloor space shall be considered as a story.”

Information regarding California’s State Prevailing Wage Determinations are as follows:CA State Wage Determinations: http://www.dir.ca.gov/dlsr/statistics_research.html

Archived CA State Determinations: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

8.3 Contractor Accountability

Cost of the Work plus a Fee with a Guaranteed Maximum Price Contract (GMAX)

General Contractors will be required to use a Guaranteed Maximum Price Contract (GMAX) wherein the basis for payment is the cost of the work plus a fee. The construction contract shall include an overall cost limitation of fourteen percent (14%) of the cost of construction, which shall apply to builder overhead, profit, and general requirements, excluding builder's general liability insurance. For purposes of calculating builder overhead and profit, the cost of construction includes offsite improvements, demolition and site work, structures, prevailing wage, and general requirements. For purposes of calculating general requirements, the cost of construction includes offsite improvements, demolition and site work, structures, and prevailing wage. All construction contracts shall clearly state that the sharing of cost savings, which are above and beyond the maximum fourteen percent (14%) of the cost of construction for builders overhead, profit and general requirements are not allowed under said contracts.

8.4 Construction Contract Audit

Borrowers shall submit for LAHD's approval a completed audit of construction costs by an independent Certified Public Accountant within sixty (60) calendar days after the issuance of the project's Final Certificate of Occupancy. The audit shall include the accountant's opinion on calculation of profit, overhead, and general conditions as a percentage of the total contract amount.

8.5 Enforcement Language

The City loan documents will enforce the 14% cap on profit, overhead and general conditions that includes penalties, fees, and possible debarment of the borrower, contractor and/or their principals.

8.6 LCP Tracker

Contractors will be required to report to LAHD's Prevailing Wage Compliance Unit using the LCP Tracker labor compliance software, used by many public agencies to capture, monitor, and report prevailing wage compliance in projects financed with public funds. An amount equal to 0.03% of the construction contract must be paid in full by the applicant/developer within 30 days of execution of the LAHD loan.

SECTION 9: CONSTRUCTION STANDARDS

9.1 Architectural Design Review

The evaluation of all projects shall be based on, but not limited to, design standards related to site planning, common spaces/circulation, unit layout, and compliance with applicable accessibility standards, based on the LAHD's Architectural Guidelines:

- New construction projects will be evaluated on design issues such as neighborhood compatibility, site amenities, circulation, crime prevention, interior spatial relationships, landscaping, design efficiency, unit/room layout and energy efficiency.
- Rehabilitation projects will be evaluated on design issues such as neighborhood improvement, site amenities, circulation, crime prevention, internal spatial relationships, landscaping, design efficiency and energy efficiency.
- As described above, all project designs must demonstrate compliance with all applicable accessibility standards.

Applicants/developers must provide written rationale that explains the project design, and submit an electronic copy in Adobe Acrobat format (Pdf), (and CAD format when required) of 24" x 36" architectural plans. The written rationale should be consistent with the submitted design. For "non-structural rehabilitation projects," applicants must provide rehabilitation plans that indicate the proposed improvements to enable LAHD cost estimators to locate, quantify and confirm all proposed improvements (e.g., proposed demolition work, number of doors, windows and/or fixtures to be replaced; floor, wall and ceiling areas to be rehabilitated, indicating site work, if any, such as paved walkways, driveways, steps, landscape areas, low retaining walls to be added or replaced, etc.).

CTCAC projects must score the minimum number of points according to CTCAC's Sustainable Building Methods criteria as outlined in the Architectural Guidelines (Exhibit 01).

9.2 Assessment of Cost and Contractor's Cost Certification

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

Builder overhead, profit and general conditions/requirements are limited to 14% of the construction cost. Construction contingency allowances must be allocated outside the proposed construction contract amount, and should be at least 10% of the total construction costs for new construction, and at least 15% for rehabilitation projects.

9.3 Engineering Inspection (for all rehabilitation projects)

All rehabilitation projects must submit a property needs assessment report or an engineering

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

For “cosmetic rehabilitation projects,” applicants are required to submit a property needs assessment report or engineering inspection report. Environmental considerations will be part of the review process. Projects that reflect community input and support and serve to enhance the surrounding community are encouraged. In addition, applicants must make the proposed project architect aware of LAHD’s “Architect’s Consent and Assignment” policies as outlined in Exhibit 01.

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

9.4 Accessibility Certification Requirements

A State of California Certified Access Specialist (CASP) who is a licensed architect or engineer must be identified as part of the development team. The CASP cannot be the architect of record for the project.

Applicants/developers shall work with their CASP consultants/specialists and shall ensure that their project/s comply with the following accessibility standards including, but not limited to:

- Section 504 of the Rehabilitation Act of 1973, as amended, and its implementing regulations at CFR Part 8, effective July 11, 1988 and the Uniform Federal Accessibility Standard (UFAS) 24 CFR Part 40;
- HUD’s Alternative Accessibility Standard published in the Federal Register May 23, 2014 (Vol. 70 Number 100) that allows recipients of HUD funds to use the 2010 ADA Title II Standards for Accessible Design except for the eleven UFAS sections deemed by HUD to provide greater accessibility;
- The 2010 Standards for State and local governments, which consist of the Title II regulations at 28 CFR 35.151 and the 2004 ADDAG at 36 CFR part 1191, appendices B and;
- The 2010 Standards for public accommodations and commercial facilities, which consist of the Title II regulations at 28 CFR part 36, subpart D, and the 2004 ADAAG at 36 CFR part 1191, appendices B and D;
- Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in the sale,

rental and financing of dwellings based on race, color, religion, sex or national origin. Title VIII was amended in 1988 (effective March 13, 1991) by the Fair Housing Amendments Act that describes required construction standards for all multifamily properties. Fair Housing Act, 42 U.S.C. 3601, et seq; 24 CFR Parts 100, 103, and 104;

- The Fair Housing Act, compliance with the standards set forth in 24 C.F.R. § 100.205, including: ANSI A117.1-1986; and the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Accessibility and Answers About the Guidelines, June 28, 1994 Housing Guidelines: Questions;
- California Building Code Chapters 11A & B (architect must include this note on the title page of plans: "This is a publicly funded housing project and must comply with California Building Code Chapter 11B").

Applicants/ developers/owners must list all applicable accessibility standards on the title page of the architectural plans, including 1) the designated FHA Safe Harbor for the project, and the following notation: "This is a publicly-funded housing project and it must comply with federal accessibility standards of California Building Code, Chapters 11A & 11B."

In addition to the project site and the buildings being accessible to people with disabilities, the development must construct at least:

- For New Construction and Adaptive Reuse Projects:
 - 10% of the total units in the project must be accessible to persons with sensory impairments; **and**,
 - 15% of the total units in the project must be accessible to persons with mobility impairments.
- For Rehabilitation Projects:
 - 4% of the total units in the project must be accessible to persons with sensory impairments; **and**,
 - 10% of the total units in the project must be accessible to persons with mobility impairments.

The calculations shall be based on the total number of units in the project. Required accessible dwelling units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites, and shall be available in a sufficient range of sizes and amenities so that a qualified individual's choice of living arrangements is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

9.5 Prior to Issuance of TCO

Prior to issuance of a Temporary Certificate of Occupancy (TCO), the developer must obtain a clearance from LAHD Accessible Housing Program (AChP). The AChP has been added to the ACOS (Automated Certificate of Occupancy System) within the Los Angeles Department of Building and Safety (LADBS) to ensure that the development complies with all applicable accessibility standards prior to LADBS' issuance of a TCO.

9.6 Certificate of Occupancy (C of O)

As described above, LAHD AChP clearance verification has been added to the LADBS ACOS to ensure

that LADBS does not issue a Certificate of Occupancy (C of O) prior to the proper documentation (i.e., the Verification of Compliance by the NAC and the Certification of Compliance by the City) is presented to the developer/owner in order for LADBS to issue a C of O.

At the time of application, an Accessibility Compliance Certification must be completed and signed by the applicant (see Document 14 and Exhibit 01 LAHD Architectural Guidelines) certifying that the development is compliant with applicable accessibility standards, must be submitted to and approved by LAHD at the following phases of the project development:

- **Accessibility Design Review Report** This report shall be conducted by a Certified Access Specialist (CASP) consultant and a complete set of architectural plans in "Pdf" must be submitted to LAHD AcHP for review and approval *prior* to the LADBS' issuance of a building permit;
- **Accessibility Progress Inspection Reports** after all rough inspections have been signed off prior to closing of walls;
- **Final Accessibility Report** LAHD shall not issue its approval/clearance for the issuance of a Temporary Certificate of Occupancy unless all non-compliant items in the units are corrected, and an accessible route exists to each of the units, from the public right-of-way to the development's parking.

LAHD shall not issue its approval/clearance for the issuance of a Certificate of Occupancy or a final building permit sign-off by LADBS, or the release of the final retention payment unless:

1. Correction issued by LAHD are addressed, completed, and approved;
2. LAHD approves the final Accessibility Report from CASP for project;
3. Expert Recommendation and City Certification of Compliance with CSA are issued;
4. Neutral Accessibility Consultant Verification and City Certification of Compliance with Accessibility Standard with VCA are issued.

The cost of CASP activities and certifications should be included in the application's project budget.

A list of State Certified Disabled Access Specialists can be found at the following link:
https://www.apps.dgs.ca.gov/casp/casp_certified_list.aspx

9.7 Cost Certification

Cost certification is required of all owners and all general contractors. Implementing the cost certification process for general contractors will create greater transparency and accountability of the resources available to the affordable housing development community.

Direct Construction Cost Summary: A construction cost breakdown must be prepared using the standard Construction Specification Institute (CSI) Division format for building components. Prices for labor must take into consideration the applicable wages (e.g., Davis-Bacon or other). Where there is an identity of interest relationship between the general contractor and/or the owner and a subcontractor as defined in Section 7.14, LAHD will require a cost certification of the subcontractor. Any overhead, profit and general requirement fees paid to that subcontractor will be added to the general contractor's overhead, profit and general requirements and limited to the percentages

allowable in these Homes for LA NOFA Regulations. In these instances, the general contractor must provide to a third party Accountant:

- Copy of construction contract and any change orders;
- Listing of all subcontractors utilized on the job, with amounts paid and to be paid;
- Listing of all “other costs/fees” paid and/or incurred for the project by the contractor.

The Accountant shall select at least five other subcontractors at random or by a sampling method, and verify the amounts paid to each subcontractor by reviewing check copies, contract documents, change orders, and other supporting information to verify amounts included within the cost certification for each subcontractor selected.

Coverage should be at least 40% of total cost incurred on the construction contract. If not, the Accountant shall select additional subcontractors and perform procedures above until the 40% requirement is exceeded.

The Accountant shall perform a comparison of actual costs to the amount budgeted at the time of application and obtain explanations for significant variances.

The Contractor’s Cost Certification forms must be accompanied by the unqualified opinion of the Accountant.

9.8 Utility Allowance

Newly constructed projects in the design phase (brand new, never previously used buildings) must use the California Energy Commission (CEC) California Utility Allowance Calculator (CUAC). LAHD requires that the signing consultant be qualified by the California Association of Building Energy Consultants’ (CABEC) Certified Energy Plans Examiner (CEPE) program, and must be a certified Home Energy Rating System (HERS) Rater, or a California licensed mechanical engineer or electrical engineer.

Rehabilitation projects or projects with Project Based Section 8 Vouchers from the Housing Authority of the City of Los Angeles (HACLA), Los Angeles County Housing Authority (LACDA) and Flexible Housing Subsidy Pool (FHSP) shall use the respective utility allowance.

If a new construction development has several units supported by Section 8 Project Based Vouchers (PBVs) from HACLA or LACDA or FHSP operating subsidy, then the project shall be allowed to use that funding source’s utility allowances for the entire project, except when the project has HOME funding. A project with HOME funding commitments after 8/23/2017 cannot use the HACLA utility allowance if it does not have a waiver from HUD; instead, the project shall use CUAC or HUD Utility Schedule Model (HUSM) to develop their utility allowances. Projects with HOME funding commitments after 8/23/2017 and have PBVs from a public housing agency (PHA) may apply for and be granted a waiver from HUD that allows the use of HACLA utility allowances.

APPENDIX I
HOMES FOR LA NOFA FORMS AND ATTACHMENTS CHECKLIST

CHECKLIST	Form Provided by LAHD?
Applicable items from the following list must be completed and submitted with the Homes for LA NOFA application:	
Document 1 – Completed UNOFA application and Financial Proforma	Yes
Document 2 – Conflicts of Interest and Legal/Financial Liabilities Self-Certification	Yes
Document 3 – Preliminary Title Report dated within 90 days of app deadline; and Evidence of Site Control	No
Document 4 – Portfolio Underwriting: Audited Financial Statements (AFSs) and Real Estate Owned Schedule (REO)	Yes
Document 5 – Appraisal	No
Document 6 – Phase I and/or Phase II Environmental Site Assessment (ESA)	No
Document 7 – Soils Report, or, Affidavit from General Partners Pertaining to Soils Report	No
Document 8 – Asbestos Assessment and Lead-based Paint Report, or, Letters in Lieu of Report(s)	No
Document 9 – Architectural Plans, Schematics, or Concept	No
Document 10 – Self-Score Form for Homes for LA NOFA Competitive Criteria	Yes
Document 11 – Relocation Project Summary Assessment	No
Document 12 – Replacement Unit Determination (RUD)	No
Document 13 – Accessibility Self-Certification Form and Enhanced Accessibility Program Checklist	Yes
Document 14 – Milestones Commitment Letter	No
Document 15 – Assurances and Conditions Form	Yes
Document 16 – CTCAC or CDLAC Scoring Self-Certification	No
Document 17 – Evidence of Project-Based Vouchers	No
Document 18 – Capital Needs Assessment (CNA) and Scope of Work	No
Document 19 – Proof of Expiring Covenants	No
Document 20 – Stabilization Plan and Exit Strategy	No
Document 21 – Project Labor Agreement (PLA) Letter of Assent	No
Document 22 – Statement of Public Purpose	No

Document 23 – Racial Equity Commitment	No
Document 24 – Tenant Governance Engagement and Leadership Plan and Sponsor Experience Package	No
Document 25 – Enhanced Environmental Health Commitment	No

ADDITIONAL ITEMS IN ORDER TO RECEIVE POINTS UNDER SECTION 7 <i>(If applicant is proposing to garner competitive criteria points under committed funding sources, general partner/management company experience, Enhanced Accessibility Program, etc):</i>	
Document 26 – Evidence of Enforceable Funding Commitments	
Document 27 – Evidence of Entitlement Readiness	
Document 28 – Evidence of Contributions of Public Land or Land Owned by Faith-Based Organizations	
Document 29 – Evidence of High or Highest Resource Geography	
Document 30 – Evidence of Site Efficiency	
Document 31 – Evidence of Priority Populations Served	
Document 32 – Evidence of No Relocation or Double Replacement if there is Relocation	
Document 33 – Evidence of Retrofit/Rehabilitation Work that Provides Certified Accessible Units	
Document 34 – Schematic Architectural Plans that Demonstrate Enhanced Accessibility Features	
Document 35 – Completed “Points System” Tab of TCAC/CDLAC Application	
Document 36 – Evidence of Amenity Access	
Document 37 – Evidence of Existing Funding Commitments Including Equity Financing	
Document 38 – Capital Stabilization Plan	
Document 39 – Evidence of Risk of Affordability Loss	
Document 40 – Evidence of Previous Tenant Engagement	
Document 41 – Demonstrated Financial Hardship	
Document 42 – Evidence of Stabilization Efforts to Date, Including Award and/or Denial Letters for Financing Sources	

Los Angeles Housing Department Term Sheet

Pooled Sources Multifamily

Program Description	<p>The Pooled Sources Multifamily Program is offered by the City of Los Angeles to develop affordable housing aimed at low and very-low-income households. This initiative not only seeks to increase the supply of affordable rental units and preserve existing affordable housing, but also to promote neighborhood revitalization, leverage community investments, and foster sustainable living environments.</p> <p>The Pooled Sources Multifamily Program may be used for the development of new affordable housing and the preservation of existing affordable housing through resyndications.</p> <p>Proposals under this program will be solicited via a “Homes for LA NOFA” that is anticipated to open on September 5, 2025. Applications are expected to be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD will provide up to \$60 million in Pooled Sources Multifamily Program funds for the development of affordable housing in the City of Los Angeles. Funding is to be provided through HOME, California SB 2, and Los Angeles Affordable Housing Linkage Fee funding. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p> <p>This program utilizes HOME funding. All details related to HOME funding regulations can be found in Section 4 of the Homes for LA NOFA Program Regulations.</p>
Eligible Applicants	<p>Non-profit developers, for-profit developers, joint ventures, limited liability corporations, and limited partnerships.</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none">• Projects must be either:<ul style="list-style-type: none">○ New construction and/or conversion of non-residential structures into affordable housing (adaptive reuse), using tax credits○ Preservation for projects with expiring covenants, and seeking resyndication tax credits <p><u>Project Size:</u></p> <ul style="list-style-type: none">• No maximum or minimum <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">• Must pay State Prevailing Wage and Davis Bacon (Section 4), as applicable

	<p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> It is expected that projects under this program apply for LIHTCs Project financing must include existing commitments from federal, state, county or non-City funding sources, or a commitment and demonstrated capacity to pursue the same within the project timeline.
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <ul style="list-style-type: none"> Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. <p><u>Rent Schedules:</u></p> <ul style="list-style-type: none"> LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules
Eligible Activities	<ul style="list-style-type: none"> Acquisition costs; Construction: Ground-up development of new affordable housing projects and Adaptive Reuse; Rehabilitation: Renovation of existing structures to meet affordable housing standards; Land Acquisition: Purchasing land to develop affordable housing; Tenant Relocation Assistance: Costs associated with relocating existing residents during project development. Activities must be directly tied to the creation or improvement of affordable housing options.
Ineligible Activities	<ul style="list-style-type: none"> Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. Costs associated with units not funded by the City of Los Angeles. Commercial space or tenant improvements. Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. Travel expenses, food, or meals. Application fees for other project financing. Office or general organizational expenses. Costs that would normally be paid by the Limited Partnership or Limited Liability Company. The payment of delinquent taxes, fees, or charges on properties. Projects that do not conform to local zoning laws or housing codes. Developments solely intended for commercial use or mixed-use projects without dedicated affordable housing components. Costs associated with operations unrelated to the development or improvement of affordable housing, such as luxury amenities that do not serve low-income residents. Any application submitted post-deadline will not be accepted, impacting both processing and funding opportunities.

Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of total development cost.</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Fifty-Seven (57) years (i.e. a 24-month construction period followed by a fifty-five (55) year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability covenant is required to be fifty-five (55) years from completion of construction, or for the maximum period required by CTCAC, HCD, HUD, or CDLAC, whichever is longer.</p> <p>Type: Construction (including reimbursement of acquisition and predevelopment costs) and Permanent loans. These loans will be provided in the form of residual receipts loans.</p> <p>Subordination: The subordination of the regulatory agreement for Pooled Sources Multifamily projects indicates that LAHD can, at its discretion, subordinate repayment, security positions, and affordability covenants to a conventional lender or other public agency lender.</p>								
Threshold Requirements	<p>Threshold requirements for this program are enumerated in the table below:</p> <table border="1"> <thead> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> </thead> <tbody> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);</td></tr> <tr> <td>3: Project must have Site Control and Clean Title</td><td>Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition</td></tr> </tbody> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);	3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition
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	Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;

10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
16: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 16: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
17: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs) and/or other long-term operating subsidies;
18: For Preservation projects only, sponsors must assess deferred maintenance and capital needs	Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements.

Evaluation and Scoring Criteria	<p>If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:</p> <table border="1" data-bbox="418 331 1443 1092"> <thead> <tr> <th>All New Construction Base Scoring</th><th>Points</th></tr> </thead> <tbody> <tr> <td>Feasibility</td><td>30</td></tr> <tr> <td>Cost Effectiveness</td><td>10</td></tr> <tr> <td>Entitlement Readiness or By-Right/Ministerial Projects</td><td>15</td></tr> <tr> <td>Discounted Contributions of Land</td><td>5</td></tr> <tr> <td>Site Efficiency</td><td>10</td></tr> <tr> <td>Priority Geographies (TCAC Opportunity Maps)</td><td>5</td></tr> <tr> <td>Priority Populations (3BR units or Special Needs or ALI/ELI)</td><td>5</td></tr> <tr> <td>No Relocation, or, if Relocation then Must Double Units</td><td>10</td></tr> <tr> <td>Enhanced Accessibility Program</td><td>10</td></tr> <tr> <td>TOTAL BASE SCORE</td><td>100</td></tr> </tbody> </table> <p>All Pooled Sources Multifamily Program projects will be subject to the following scoring requirements:</p> <table border="1" data-bbox="418 1253 1443 1404"> <thead> <tr> <th>Pooled Sources Multifamily</th><th>Points</th></tr> </thead> <tbody> <tr> <td>TCAC/CDLAC Scoring Competitiveness</td><td>25</td></tr> </tbody> </table> <p>All definitions for each scoring criteria are described in the primary Homes for LA NOFA Regulations.</p>	All New Construction Base Scoring	Points	Feasibility	30	Cost Effectiveness	10	Entitlement Readiness or By-Right/Ministerial Projects	15	Discounted Contributions of Land	5	Site Efficiency	10	Priority Geographies (TCAC Opportunity Maps)	5	Priority Populations (3BR units or Special Needs or ALI/ELI)	5	No Relocation, or, if Relocation then Must Double Units	10	Enhanced Accessibility Program	10	TOTAL BASE SCORE	100	Pooled Sources Multifamily	Points	TCAC/CDLAC Scoring Competitiveness	25
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Contact Information	<p>TBD</p> <p><i>This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.</i></p> <p>Updated Primary Document 05/23/2025</p>																										

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Multifamily Affordable Housing
DRAFT FOR PUBLIC REVIEW - May 23, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the ULA Multifamily Affordable Housing Program, which supports the construction of affordable housing in the City of Los Angeles.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD may provide up to an anticipated \$97.5 million as part of the ULA Multifamily Affordable Housing Program for the development of affordable housing in the City of Los Angeles. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p>
Eligible Applicants	<p>Eligible applicants are entities that have a demonstrated history of affordable housing development, ownership, operations and affordable housing property management. Eligible entities, including Community Land Trusts (CLTs) and Limited Equity Housing Cooperatives (LEHCs), may qualify by either partnering with an experienced Nonprofit or by showing adequate organizational and staff capacity to operate and manage the project.</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none">• Projects must be new construction of multifamily affordable housing or conversion of non-residential structures into affordable housing (adaptive reuse) <p><u>Project Size:</u></p> <ul style="list-style-type: none">• Projects must have 40 or more units <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">• Must pay prevailing wage.• If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit

	<p>Housing (SCANPH), and approved by the Los Angeles City Council.</p> <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> It is expected that projects under the ULA Multifamily Affordable Housing Program apply for LIHTCs Project financing must include existing commitments from federal, state, county or non-ULA funding sources, or a commitment and demonstrated capacity to pursue the same within the project timeline. <p><u>Project Resale:</u></p> <ul style="list-style-type: none"> Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <ul style="list-style-type: none"> Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. <p><u>Rent Schedules:</u></p> <ul style="list-style-type: none"> LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules
Eligible Activities	<ul style="list-style-type: none"> Acquisition costs during predevelopment; Predevelopment costs, including, but not limited to, costs for architectural plans and renderings, Environmental Review and Historic Preservation; and Phase I Environmental Assessment Report, Phase II Environmental Assessment Report (if required), and Lead/Asbestos. Construction and financing costs, including demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit, and general conditions; Relocation and related expenses; Soft costs related to the construction and development of the project, including conventional financing, design, program, financing, and entitlement processing, developer fees, legal fees, and professional fees
Ineligible Activities	<ul style="list-style-type: none"> Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. Costs associated with units not funded by the City of Los Angeles. Commercial space or tenant improvements. Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. Travel expenses, food, or meals. Application fees for other project financing

	<ul style="list-style-type: none"> • Office or general organizational expenses • Costs that would normally be paid by the Limited Partnership or Limited Liability Company • The payment of delinquent taxes, fees, or charges on properties 						
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of the Total Development Cost (TDC).</p> <p>Type: Predevelopment, construction (including reimbursement of acquisition and predevelopment costs) and permanent loans. Permanent loans may allow for transfer of ownership to a legal entity owned and/or controlled by residents. These loans will be provided in the form of residual receipts loans.</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Fifty-Seven (57) years (i.e. a 24-month construction period followed by a fifty-five (55) year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law. However, a more limited affordability covenant, albeit with a fixed term of no less than 55 years, shall be acceptable if necessary, as verified by the Los Angeles Housing Department if such shorter covenant period is necessary for the Project to meet the requirements of the Project's other funding sources, such as a "true debt for tax credit financing.</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.</p>						
Threshold Requirements	<p>Threshold Requirements are enumerated in the table below:</p> <table border="1"> <thead> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> </thead> <tbody> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships,</td></tr> </tbody> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts	Document 2: Sponsor must submit a signed certification disclosing all partnerships,
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of interest and legal/financial liabilities	corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8); Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
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10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
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14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
16: For projects with tax credits in the capital stack only, project must demonstrate	Document 16: Projected self-score and tiebreaker for CTCAC application or CDLAC application;

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17: For Permanent Supportive Housing (PSH) projects only , sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs) or other long-term operating subsidy
21: For ULA projects with at least 40 units only , construction must comply with a Project Labor Agreement	Document 21: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;

Evaluation and Scoring Criteria

If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:

All New Construction Base Scoring	Points
Feasibility	30
Cost Effectiveness	10
Entitlement Readiness or By-Right/Ministerial Projects	15
Discounted Contributions of Land	5
Site Efficiency	10
Priority Geographies (TCAC Opportunity Maps)	5
Priority Populations (3BR units or Special Needs or ALI/ELI)	5
No Relocation, or, if Relocation then Must Double Units	10
Enhanced Accessibility Program	10
TOTAL BASE SCORE	100

	<p>All ULA Multifamily Affordable Housing projects will be subject to the following scoring requirements.</p> <table><tr><th>ULA Multifamily</th><th>Points</th></tr><tr><td>TCAC/CDLAC Scoring Competitiveness</td><td>25</td></tr></table> <p>All definitions for each scoring criteria are described in the primary Homes for LA NOFA Regulations.</p>	ULA Multifamily	Points	TCAC/CDLAC Scoring Competitiveness	25
ULA Multifamily	Points				
TCAC/CDLAC Scoring Competitiveness	25				
Contact Information	<p>TBD</p> <p><i>This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.</i></p> <p>Updated Primary Document 05/23/2025</p>				

Los Angeles Housing Department Term Sheet
Pooled Sources Preservation Program
DRAFT FOR PUBLIC REVIEW - MAY 23, 2025

Program Description	<p>The Pooled Sources Preservation Program is offered by the City of Los Angeles to preserve and modernize existing affordable housing.</p> <p>The Pooled Sources Preservation Program provides financial assistance to projects that require rehabilitation to improve and extend the building's useful life.</p> <p>Proposals under this program will be solicited via a "Homes for LA NOFA" that is anticipated to open on September 5, 2025. Applications are expected to be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD will provide up to \$60 million as part of the Pooled Sources Preservation Program. Funding is to be provided through HOME, California Permanent Housing Local Assistance, and Los Angeles Affordable Housing Linkage Fee funding. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p> <p>This program utilizes HOME funding. All details related to HOME funding regulations can be found in Section 4 of the Homes for LA NOFA Program Regulations.</p>
Eligible Applicants	<p>Non-profit developers, for-profit developers, joint ventures, limited liability corporations, and limited partnerships.</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none">• Substantial rehabilitation/reconstruction, and preservation without acquisition <p><u>Project Size:</u></p> <ul style="list-style-type: none">• No maximum or minimum <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">• Must pay State Prevailing Wage and Davis Bacon (Section 4), as applicable <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none">• Project financing must include existing commitments from federal, state, county or non-City funding sources, or a commitment and demonstrated capacity to pursue the same within the project timeline.
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <p>Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below.</p>

	<p>Rent Schedules: LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.</p>
Eligible Activities	<ul style="list-style-type: none"> • Rehabilitation: Renovation of existing structures to meet affordable housing standards; • Tenant Relocation Assistance: Costs associated with relocating existing residents during project development. Activities must be directly tied to the creation or improvement of affordable housing options.
Ineligible Activities	<ul style="list-style-type: none"> • Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. • Costs associated with units not funded by the City of Los Angeles. • Replacement reserves. • Commercial space or tenant improvements. • Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. • Travel expenses, food, or meals. • Application fees for other project financing. • Office or general organizational expenses. • Costs that would normally be paid by the Limited Partnership or Limited Liability Company. • The payment of delinquent taxes, fees, or charges on properties. • Projects that do not conform to local zoning laws or housing codes. • Developments solely intended for commercial use or mixed-use projects without dedicated affordable housing components. • Costs associated with operations unrelated to the development or improvement of affordable housing, such as luxury amenities that do not serve low-income residents. • Any application submitted post-deadline will not be accepted, impacting both processing and funding opportunities.
Loan Assistance and Term Limits	<p>Limit: The maximum LAHD soft loan is up to 30% Loan-to-Costs as supported by the project's Capital Needs Assessment (CNA).</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Fifty-Seven (57) years (i.e. a 24-month construction period followed by a fifty-five (55) year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability covenant is required to be fifty-five (55) years from completion of construction, or for the maximum period required by CTCAC, HCD, HUD, or CDLAC, whichever is longer.</p> <p>Type: Rehabilitation/Construction and Permanent loans. These loans will be</p>

provided in the form of residual receipts loans.

Subordination: The subordination of the regulatory agreement for Pooled Sources Preservation projects indicates that LAHD can, at its discretion, subordinate repayment, security positions, and affordability covenants to a conventional lender or other public agency lender.

Threshold Requirements

Threshold requirements for this program are enumerated in the table below:

Threshold Item	Required Documents
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;

8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;

	16: For projects with tax credits in the capital stack only , project must demonstrate competitiveness for tax credits	Document 16: Projected self-score and tiebreaker for CTCAC application or CDLAC application;																		
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	18: For Preservation projects only , Sponsors must assess deferred maintenance and capital needs	Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;																		
	20: For Preservation projects only , Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 20: Sponsor must submit a detailed Stabilization Plan demonstrating how Homes for LA NOFA funds will support the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;																		
Evaluation and Scoring Criteria	Applicants determined to have passed Threshold Review will be scored and prioritized for funding based on the following scoring priorities: <table><tr><th>All Preservation Base Scoring</th><th>Points</th></tr><tr><td>Feasibility</td><td>20</td></tr><tr><td>Entitlement Readiness or By-Right/Ministerial Projects</td><td>15</td></tr><tr><td>Capital Stabilization Plan</td><td>20</td></tr><tr><td>Risk of Affordability Loss</td><td>15</td></tr><tr><td>Priority Populations (Special Needs or ALI/ELI)</td><td>5</td></tr><tr><td>Retrofit/Rehabilitation Work that Provides Certified Accessible Units</td><td>20</td></tr><tr><td>Enhanced Accessibility Program</td><td>5</td></tr><tr><td>TOTAL BASE SCORE</td><td>100</td></tr></table>		All Preservation Base Scoring	Points	Feasibility	20	Entitlement Readiness or By-Right/Ministerial Projects	15	Capital Stabilization Plan	20	Risk of Affordability Loss	15	Priority Populations (Special Needs or ALI/ELI)	5	Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20	Enhanced Accessibility Program	5	TOTAL BASE SCORE	100
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	All definitions for each scoring criteria are described in the primary Homes for LA NOFA Regulations.
Contact Information	<p>TBD</p> <p><i>This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.</i></p> <p>Updated Primary Document 05/23/2025</p>

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Acquisition and Rehabilitation:
Preserving Affordability
DRAFT FOR PUBLIC REVIEW - MAY 23, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the City's Acquisition & Rehabilitation: Preserving Affordability Program, which supports the acquisition, rehabilitation, and preservation of affordable housing.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD will provide up to an anticipated \$30.4 million as part of the United To House Los Angeles (ULA) Acquisition and Rehabilitation: Preserving Affordability program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity. A for-profit entity cannot be the Managing General Partner.</p> <p><u>Tenant Governance Experience</u></p> <p>Development teams must also demonstrate experience supporting tenant governance models. Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.</p> <p>Partnerships may take the form of General Partnerships, Limited Partnerships or Limited Liability Companies or other Special-Purpose Entities (SPEs) where the experienced Nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a Nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none"> The project must be an existing residential building that is subject to a regulatory agreement that restricts some or all of its units with respect to household incomes and/or rents. In addition, the building must have

	<p>an existing regulatory agreement that will expire within ten (10) years from the time of the application for funding.</p> <p><u>Project Size:</u></p> <ul style="list-style-type: none"> The Acquisition Rehabilitation (Preservation) program has no maximum or minimum project size with respect to unit counts. <p><u>Affordability Requirement Unique to Acquisition Rehabilitation (Preservation):</u></p> <ul style="list-style-type: none"> Upon completion of preservation activities, all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. Existing tenants should not be displaced if their incomes exceed 80% AMI or any lower income limits adopted for their unit. Unit affordability targets should be achieved over time through natural turnover. <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none"> Must pay prevailing wage. If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> Leveraging of non-ULA funding sources is only permissible if such additional funding does not preclude future conversion of the property to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance. <p><u>Project Resale:</u></p> <ul style="list-style-type: none"> Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs).
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <p>Except for the manager’s unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below.</p> <p><u>Rent Schedules:</u></p> <p>LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.</p>
Eligible Activities	<ul style="list-style-type: none"> Acquisition costs during predevelopment;

	<ul style="list-style-type: none"> • Rehabilitation costs; • Predevelopment costs, including, but not limited to, costs for architectural plans and renderings, Environmental Review and Historic Preservation; and Phase I Environmental Assessment Report, Phase II Environmental Assessment Report (if required), and Lead/Asbestos Reports as defined in the Department's Affordable Housing Managed Pipeline Program Requirements (Sept. 2022); • Construction and financing costs, including demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit, and general conditions; • Relocation and related expenses; • Soft costs related to the construction and development of the project, including conventional financing, design, program, financing, and entitlement processing, developer fees, legal fees, and professional fees; and • Replacement reserves; and • Reasonable reserves for operating costs, for projects requiring short-term capitalized operating assistance, that are still able to demonstrate long-term financial viability without operating assistance except from Section 8 Housing Choice Vouchers or similar long-term rental housing vouchers.
Ineligible Activities	<ul style="list-style-type: none"> • Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. • Costs associated with units not funded by the City of Los Angeles. • Reimbursement for project costs that have been paid by another project funding source, unless the reimbursement was approved at the time of commitment. • Travel expenses, food, or meals. • Application fees for other project financing. • Office or general organizational expenses. • Costs that would normally be paid by the Limited Partnership or Limited Liability Company. • The payment of delinquent taxes, fees, or charges on properties.
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of total development cost. LAHD reserves the right to increase the maximum amount per project on a case-by-case basis.</p>

Type: Construction (including reimbursement of acquisition and predevelopment costs) and Permanent loans. Permanent loans may allow for transfer of ownership to a legal entity owned and/or controlled by residents. These loans will be provided in the form of residual receipts loans.

Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility. In the case of Service Payback Loan or other forgivable loan product, the interest rate may be 0%.

Term of Loan: Sixty (60) years (i.e. a 24-month construction period followed by a 58-year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.

Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in.

Subordination: The Regulatory Agreement for ULA designated units will **not** be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. LAHD will, however, generally subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.

Threshold Requirements

Threshold Requirements are enumerated in the table below:

Threshold Item	Required Documents
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
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8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include

	compliant features as part of the submission;
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14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
16: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 16: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
17: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs) or other long-term operating subsidy;
18: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;

19: For ULA Acquisition & Rehabilitation projects only, Sponsors must demonstrate that project has expiring covenants	Document 19: Sponsor must provide the deed of trust and covenant agreement on the property with expiring covenants;
20: For Preservation and/or Operating Assistance only, Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 20: Sponsor must submit a detailed Stabilization Plan demonstrating how Homes for LA NOFA funds will support the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;
21: For ULA projects with at least 40 units only, construction must comply with a Project Labor Agreement	Document 21: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;
23: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project must address racial disparities	Document 23: Project sponsor must provide a Racial Equity Commitment;
24: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project incorporates tenant governance and development team has tenant governance experience	Document 24: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;

Evaluation and Scoring Criteria

Applicants determined to have passed Threshold Review will be scored and prioritized for funding based on the following scoring priorities:

All Preservation Base Scoring	Points
Feasibility	20
Entitlement Readiness or By-Right Ministerial Projects	15
Capital Stabilization Plan	20
Risk of Affordability Loss	15
Priority Populations (Special Needs or ALI/ELI)	5
Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20
Enhanced Accessibility Program	5
TOTAL BASE SCORE	100

Additional Program-Specific Scoring Elements:

ULA Acq/Rehab Preservation	Points
TCAC/CDLAC Scoring Competitiveness	25
History of Tenant Engagement	10

All definitions for each scoring criteria are described in the primary Homes for LA NOFA Regulations.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LANOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Updated Primary Document 05/23/2025

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Alternative Models: Preservation
DRAFT FOR PUBLIC REVIEW - MAY 23, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the City's Alternative Models Preservation Program, which supports the rehabilitation and preservation of affordable housing.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the preservation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD will provide up to an anticipated \$52.9 million as part of the United To House Los Angeles (ULA) Alternative Models Preservation Program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity.</p> <p><u>Tenant Governance Experience</u></p> <p>Development teams must also demonstrate experience supporting tenant governance models. Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.</p> <p>Partnerships may take the form of General Partnerships, Limited Partnerships or Limited Liability Companies or other Special-Purpose Entities (SPEs) where the experienced Nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a Nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Type:</u></p> <ul style="list-style-type: none">• The project must be an existing residential building that is under significant financial distress and/or projects with expiring or expired covenants requiring recapitalization and major capital improvements.

	<p><u>Project Size:</u></p> <ul style="list-style-type: none">• The Alternative Models Preservation Program has no maximum or minimum project size with respect to unit counts. <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">• Must pay prevailing wage.• If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none">• Leveraging of non-ULA funding sources is only permissible if such additional funding does not preclude future conversion of the property to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance.• This subsidy may be combined with funding from the LAHD and other agencies, including loans provided through Measure ULA and other applicable programs. <p><u>Project Resale:</u></p> <ul style="list-style-type: none">• Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements</u></p> <ul style="list-style-type: none">• A minimum of 20% of the total project units must be restricted to Acutely Low Income (ALI) and/or Extremely Low Income (ELI) Households (15% Area Median Income (AMI) and/or 30% AMI and below, respectively). Existing tenants should not be displaced if their incomes exceed newly adopted limits under this program. Unit affordability targets should be achieved over time through natural unit turnover.• Up to 20% of the total project units may be unrestricted with respect to rents and household incomes if necessary to make the project financially feasible in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4), but all other units must be restricted to be affordable to Lower Income Households (80% AMI and below). If the unrestricted units are occupied at the time of the project's participation in the Preservation Program, existing tenants should not be displaced. Units should instead float to the higher rent target over time through natural unit turnover. <p><u>Rent Schedules</u></p> <ul style="list-style-type: none">• All deed restricted affordable units must be affordable in perpetuity, as defined under Loan Terms, with AMI limits set at the project rather than unit

	<p>level, and a suggested average of 60% AMI across each project, subject to City Attorney approval of the regulatory agreement.</p> <ul style="list-style-type: none"> LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when the project or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.
Eligible Activities	<ul style="list-style-type: none"> Acquisition costs for new ownership entity and transfer of interest among related entities; Rehabilitation: Renovation of existing structures to meet affordable housing standards; Tenant Relocation Assistance: Costs associated with relocating existing residents during project development. Activities must be directly tied to the creation or improvement of affordable housing options. Costs associated with market-rate units provided only for the purpose increasing project financial stability in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4); and Reasonable reserves for operating costs, for projects requiring short-term capitalized operating assistance, that are still able to demonstrate long-term financial viability without operating assistance except from Section 8 Housing Choice Vouchers or similar long-term rental housing vouchers.
Ineligible Activities	<ul style="list-style-type: none"> Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. Costs associated with units not funded by the City of Los Angeles. Commercial space or tenant improvements. Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. Travel expenses, food, or meals. Application fees for other project financing. Office or general organizational expenses. Costs that would normally be paid by the Limited Partnership or Limited Liability Company. The payment of delinquent taxes, fees, or charges on properties. Projects that do not conform to local zoning laws or housing codes. Developments solely intended for commercial use or mixed-use projects without dedicated affordable housing components.

	<ul style="list-style-type: none"> • Costs associated with operations unrelated to the development or improvement of affordable housing, such as luxury amenities that do not serve low-income residents. • Any application submitted post-deadline will not be accepted, impacting both processing and funding opportunities. 						
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is 100% of total development cost.</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: The permanent loan term shall be no less than Sixty (60) years, and fully amortizing.</p> <p>Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD, shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements.</p> <p>Type: Rehabilitation/Construction and Permanent loans. These loans will be provided in the form of residual receipts loans.</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.</p>						
Threshold Requirements	<p>Threshold Requirements are enumerated in the table below:</p> <table> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the</td></tr> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the
Threshold Item	Required Documents						
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;						
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the						

	<p>sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);</p>
<p>3: Project must have Site Control and Clean Title</p>	<p>Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;</p>
<p>4. Project sponsor must pass Sponsor Underwriting</p>	<p>Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;</p>
<p>5: Project site valuation must be supported by an appraisal</p>	<p>Document 5: Project sponsor must submit a certified appraisal;</p>
<p>6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards</p>	<p>Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;</p>
<p>7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils</p>	<p>Document 7: Project sponsor must submit a Soils Report;</p>
<p>8: Projects involving demolition must identify lead and asbestos hazards</p>	<p>Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;</p>
<p>9: Projects must show comply with architectural standards; ULA New</p>	<p>Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications</p>

Construction projects must meet a 40 unit count minimum	opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
17: For Permanent Supportive Housing (PSH) projects only , sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs);
18: For Preservation projects only , Sponsors must assess deferred maintenance and capital needs	Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;
20: For Preservation and/or Operating Assistance only , Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 20: Sponsor must submit a detailed Stabilization Plan demonstrating how Homes for LA NOFA funds will support the financial sustainability of the project, as well as

	an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;
21: For ULA projects with at least 40 units only , construction must comply with a Project Labor Agreement	Document 21: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;
22: For ULA Alternative Models projects only , Project must address neighborhood level needs	Document 22: Project sponsor must submit a Statement of Public Purpose;
23: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project must address racial disparities	Document 23: Project sponsor must provide a Racial Equity Commitment;
24: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project incorporates tenant governance and development team has tenant governance experience	Document 24: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;
25: For ULA Alternative Models projects only , Project sponsor must engage community to identify environmental hazards beyond baseline Environmental Site Assessments (ESA)	Document 25: Project sponsor must submit Enhanced Environmental Health Commitment for any projects located in an area at 80th percentile or above in the CalEnviroScreen 4.0;

Evaluation and Scoring Criteria

There will be a first priority pool within this program for CLT and CLT partnership applications.

If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:

All Preservation Base Scoring	Points
Feasibility	20
Entitlement Readiness or By-Right/Ministerial Projects	15
Capital Stabilization Plan	20
Risk of Affordability Loss	15
Priority Populations (Special Needs or ALI/ELI)	5
Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20
Enhanced Accessibility Program	5
TOTAL BASE SCORE	100

All ULA Alternative Models Preservation projects will be subject to the following scoring requirements:

ULA Alt Models Preservation*	Points
History of Tenant Engagement	10

All definitions for each scoring criteria are described in the primary Homes for LA NOFA Regulations.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Alternative Models: New Construction
DRAFT FOR PUBLIC REVIEW - MAY 23, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the City's Alternative Models: New Construction Program, which supports the construction of permanently affordable, tenant-led models of affordable housing.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD will provide up to an anticipated \$101.5 million as part of the United To House Los Angeles (ULA) Alternative Models New Construction Program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity. A for-profit entity cannot be the Managing General Partner.</p> <p><u>Tenant Governance Experience</u></p> <p>Development teams must also demonstrate experience supporting tenant governance models. Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.</p> <p>Partnerships may take the form of General Partnerships, Limited Partnerships or Limited Liability Companies or other Special-Purpose Entities (SPEs) where the experienced Nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a Nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).</p>

Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none">• Projects must be new construction and/or adaptive reuse of affordable housing. <p><u>Project Size:</u></p> <ul style="list-style-type: none">• Projects must have 40 or more units (new construction) <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">• Must pay prevailing wage• All projects with 40 or more units must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none">• Leveraging of additional public sources is allowed so long as the outside funding sources do not preclude conversion to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance.• These projects are not envisioned to be paired with LIHTC funding, but there is no restriction against it. <p><u>Project Resale:</u></p> <ul style="list-style-type: none">• Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <ul style="list-style-type: none">• A minimum of 20% of the total project units must be restricted to Acutely Low Income (ALI) and/or Extremely Low Income (ELI) Households (15% Area Median Income (AMI) and/or 30% AMI and below, respectively).• Up to 20% of the total project units may be unrestricted with respect to rents and household incomes if necessary to make the project financially feasible in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4), but all other units must be restricted to be affordable to Lower Income Households (80% AMI and below). <p><u>Rent Schedules:</u></p> <ul style="list-style-type: none">• All deed restricted affordable units must be affordable in perpetuity with exceptions for projects needing 55-year covenants for underwriting feasibility, with AMI limits set at the project rather than unit level, and with a suggested average of 60% AMI across each project, subject to City Attorney approval of the regulatory covenant.• LAHD will apply HUD/LIHTC income targeting and rent schedules, with

	the exception of when the project or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.
Eligible Activities	<ul style="list-style-type: none"> • Acquisition costs during predevelopment; • Predevelopment costs, including, but not limited to, costs for architectural plans and renderings, Environmental Review and Historic Preservation; and Phase I Environmental Assessment Report, Phase II Environmental Assessment Report (if required), and Lead/Asbestos Reports as defined in the Department's Affordable Housing Managed Pipeline Program Requirements (Sept. 2022); • Construction and financing costs, including but not limited to, demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit, and general conditions; • Soft costs related to the construction and development of the project, including conventional financing, design, program, financing, and entitlement processing, developer fees, legal fees, and professional fees; • Relocation and related expenses; • Costs associated with market-rate units provided only for the purpose of increasing project financial stability in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4)
Ineligible Activities	<ul style="list-style-type: none"> • Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. • Costs associated with units not funded by the City of Los Angeles. • Reimbursement for project costs that have been paid by another project funding source, unless the reimbursement was approved at the time of commitment. • Travel expenses, food, or meals. • Application fees for other project financing. • Office or general organizational expenses. • Costs that would normally be paid by the Limited Partnership or Limited Liability Company. • The payment of delinquent taxes, fees, or charges on properties.

Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 80% of the Total Development Cost (TDC).</p> <p>Type: Predevelopment, construction (including reimbursement of acquisition and predevelopment costs) and Permanent financing. Permanent loans will allow for transfer of ownership to a legal entity owned and/or controlled by residents. The loan will be structured as a residual receipts loan.</p> <p>Interest Rate: Three percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Sixty (60) years (i.e. a 24-month construction period followed by a 58-year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD, shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements.</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, generally subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.</p>
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Threshold Requirements	The threshold requirements are enumerated in the table below:	
	Threshold Item	Required Documents
	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
	3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
	4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
	5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
	6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;

7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;

15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
21: For ULA projects with at least 40 units only , construction must comply with a Project Labor Agreement	Document 21: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;
22: For ULA Alternative Models projects only , Project must address neighborhood level needs	Document 22: Project sponsor must submit a Statement of Public Purpose;
23: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project must address racial disparities	Document 23: Project sponsor must provide a Racial Equity Commitment;
24: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project incorporates tenant governance and development team has tenant governance experience	Document 24: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;
25: For ULA Alternative Models projects only , Project sponsor must engage community to identify environmental hazards beyond baseline Environmental Site Assessments (ESA)	Document 25: Project sponsor must submit Enhanced Environmental Health Commitment for any projects located in an area at 80th percentile or above in the CalEnviroScreen 4.0;

Evaluation and Scoring Criteria

There will be a first priority pool within this program for CLT and CLT partnership applications.

If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:

All New Construction Base Scoring	Points
Feasibility	30
Cost Effectiveness	10
Entitlement Readiness or By-Right/Ministerial Projects	15
Discounted Contributions of Land	5
Site Efficiency	10
Priority Geographies (TCAC Opportunity Maps)	5
Priority Populations (3BR units or Special Needs or ALI/ELI)	5
No Relocation, or, if Relocation then Must Double Units	10
Enhanced Accessibility Program	10
TOTAL BASE SCORE	100

All ULA Alternative Models New Construction projects will be subject to the following scoring requirements:

ULA Alt Models New Construction*	Points
Affordability: Option A with Deeper Affordability with 50% Average AMI for the Deed-Restricted Units Only	5
Option B with Moderate Income (80-120% AMI) Deed-Restricted in Lieu of Market Rate	
Amenities	5
Previous Commitment of Funds (e.g., Philanthropic Funds) or In-Kind Contributions	20

All definitions for each scoring criteria are described in the primary Homes for LA NOFA Regulations.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Operating Assistance
DRAFT FOR PUBLIC REVIEW - MAY 23, 2025

Program Description	<p>The United to House Los Angeles (ULA) Operating Assistance Program supports affordable housing in the City of Los Angeles by providing operating support for projects facing a short-term disruption in cash flow or wider economic shock. This Program provides time-limited assistance to projects facing resolvable challenges, in an amount equal to up to two (2) years of eligible operating cost or income gaps.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA NOFA, LAHD will provide up to an anticipated \$34.3 million as part of the United to House Los Angeles (ULA) Operating Assistance Program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity.</p> <p><u>Existing LAHD Loan Requirement</u></p> <p>Applicants must either have an existing housing project funded by the City of Los Angeles, or a commitment for a new housing project to be funded by the City of Los Angeles. Priority will be given to projects housing Acutely Low Income or Extremely Low Income households, as well as projects that maintain ownership or stewardship by Nonprofits, Community Land Trusts (CLTs), and Limited Equity Housing Cooperatives (LEHCs).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Type:</u></p> <ul style="list-style-type: none">• The project must be an existing residential building that is under significant financial distress. <p><u>Project Size:</u></p> <ul style="list-style-type: none">• The Operating Assistance Program has no maximum or minimum project size with respect to unit counts.

	<p><u>Labor Compliance:</u></p> <ul style="list-style-type: none"> • Must pay prevailing wage. • If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> • Leveraging of non-ULA funding sources is only permissible if such additional funding does not preclude future conversion of the property to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance. • This subsidy may be combined with funding from the LAHD and other agencies, including loans provided through Measure ULA and other applicable programs. <p><u>Project Resale:</u></p> <ul style="list-style-type: none"> • Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
<p>Affordability Requirements and Rent Schedules</p>	<p><u>Affordability Requirements</u></p> <ul style="list-style-type: none"> • Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. <p><u>Rent Schedules</u></p> <ul style="list-style-type: none"> • All units receiving operating support must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. Mixed-income projects under the Alternative Models Preservation Program are also eligible for funding. • LAHD will apply HUD/LIHTC income targeting and rent schedules. However, projects must comply with all income targeting and rent schedules required by other funding sources and must apply the most restrictive, if there is a conflict.
<p>Eligible Activities</p>	<ul style="list-style-type: none"> • Debt service; • Insurance premiums and other insurance expenses; • Short term security or fire watch services of less than 12 months; • Deferred operating costs for building maintenance and repairs of less

	<p>than \$250,000;</p> <ul style="list-style-type: none"> • Local, state, and federal tax liability; • Up to two (2) months of rental subsidies per unit to cover operating shortfalls, not to exceed six (6) months per three (3) year period; or • Replenishing of operating reserves required by LAHD. <p>Costs can be reimbursed for excess expenses incurred within the same fiscal year of the sponsor's application and the fiscal year immediately preceding the year of application.</p> <p>Prospective expenses can be requested for an amount equal to a maximum of two (2) years of projected excess costs.</p>
Ineligible Activities	<ul style="list-style-type: none"> • Major replacement, upgrades, and/or capital improvement of systems including but not limited to Heating, Ventilation, and Air Conditioning (HVAC), plumbing, electrical, sewer, fire sprinklers, roofing, water heaters, solar panels, or insulation; • Major repairs costing more than \$250,000; or • New construction except to replace units damaged by fire or natural disaster.
Loan Assistance and Term Limits	<p>Limit: Operating Reserve: Up to total of \$4,000/unit (up to \$2,000/unit per year for two years of assistance), and up to \$250,000 project-wide for emergency capital needs.</p> <p>Type: Operating Assistance will be provided in the form of a supplemental loan or a grant:</p> <ul style="list-style-type: none"> - For awards in excess of \$100,000, the form of assistance will be a supplemental loan to the existing or proposed project loan, with the same loan term, interest rate, and payment terms as the existing LAHD loan. - For awards below \$100,000, the form of assistance will be a grant to the project owner or sponsor. <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: The permanent loan term shall be no less than fifteen (15) years.</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute</p>

	a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders	
Threshold Requirements	Threshold Requirements are enumerated in the table below:	
	Threshold Item	Required Documents
	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
	3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
	4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;

5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident	Document 12: Project sponsor must submit a Replacement Unit

Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
17: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs);
18: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;
20: For Preservation and/or Operating Assistance only, Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 20: Sponsor must submit a detailed Stabilization Plan demonstrating how Super NOFA funds will support the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;

Evaluation and Scoring Criteria	If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:																
	<table border="1"> <thead> <tr> <th>Criterion</th><th>Points</th></tr> </thead> <tbody> <tr> <td>Demonstrated Financial Hardship</td><td>40</td></tr> <tr> <td>Stabilization Efforts to Date</td><td>10</td></tr> <tr> <td>Operational Stabilization Plan and Exit Strategy</td><td>20</td></tr> <tr> <td>% of Units Restricted as ALI/ELI</td><td>5</td></tr> <tr> <td>Nonprofits, CLT, and Shared-Equity Tenant Ownership Priority</td><td>5</td></tr> <tr> <td>Cost Effectiveness</td><td>20</td></tr> <tr> <td>TOTAL SCORE</td><td>100</td></tr> </tbody> </table>	Criterion	Points	Demonstrated Financial Hardship	40	Stabilization Efforts to Date	10	Operational Stabilization Plan and Exit Strategy	20	% of Units Restricted as ALI/ELI	5	Nonprofits, CLT, and Shared-Equity Tenant Ownership Priority	5	Cost Effectiveness	20	TOTAL SCORE	100
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Nonprofits, CLT, and Shared-Equity Tenant Ownership Priority	5																
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TOTAL SCORE	100																
Contact Information	<p>TBD</p> <p><i>This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.</i></p> <p>Updated Primary Document 05/23/2025</p>																

**CITY OF LOS ANGELES
LOS ANGELES HOUSING DEPARTMENT**

**HOMES FOR LA: 2025 AFFORDABLE HOUSING NOFA
SUPER NOFA PROGRAM REGULATIONS AND TERM
SHEETS**

NOTICE OF FUNDING AVAILABILITY

~~DRAFT FOR PUBLIC REVIEW - APRIL 29, 2025~~

DATE TBD, 2025

~~Draft as of April 29, 2025~~

HOMES FOR LA^{Super} NOFA REGULATIONS

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Exh_08	Pet Policy	

Note: For Threshold Document Checklists applicable to all programs, see Appendix I at the bottom of this document. For project specific threshold items, see individual term sheets.

HOMES FOR LASUPER NOFA REGULATIONS

INTRODUCTION

The City of Los Angeles's goal, through the Los Angeles Housing Department [Homes for LA: 2025 Affordable Housing](#) ~~Super~~ [Notice of Funding Availability](#) NOFA ([Homes for LASuper](#) NOFA), is to create affordable housing and prevent future homelessness in the City of Los Angeles. The purpose of these [Homes for LASuper](#) NOFA Regulations, Policies, and Procedures ([Homes for LASuper](#) NOFA Regulations) is to document the policies, rules and regulations governing the federal, state and local funding administered by the City of Los Angeles through the Los Angeles Housing Department (LAHD) to assist in the creation and preservation of affordable housing.

These [Homes for LASuper](#) NOFA Regulations consist of general regulations that apply to seven unique funding programs that are each addressed in their own term sheet. The main body of the [Homes for LASuper](#) NOFA Regulations serves to establish general City and LAHD rules and procedures, elaborate on universal definitions and standards, and to assist the public in navigating and understanding the differences between the various funding programs. Successful respondents must closely consult both the main body of the [Homes for LASuper](#) NOFA Regulations, as well as the specific term sheet for the funding program for which they will apply. The seven (7) term sheets correspond with the following funding programs, each of which are supported either by Pooled Sources (including HOME, California SB 2, and Los Angeles Affordable Housing Linkage Fee funding) or the United to House Los Angeles (ULA) funds: [1]

1. [Affordable Housing Managed Pipeline \(AHMP\) Pooled Sources](#) Multifamily ~~New Construction~~
2. ~~United to House Los Angeles (ULA)~~ Multifamily Affordable Housing (New Construction)
3. [AHMP Pooled Sources](#) Preservation
4. ULA Acquisition and Rehabilitation of Affordable Housing: Preserving Affordability
5. ULA Alternative Models for Permanent Affordable Housing: Preservation
6. ULA Alternative Models for Permanent Affordable Housing: New Construction
7. ULA Operating Assistance

~~The Super NOFA Regulations mirror most of the regulations from the 2022 Affordable Housing Managed Pipeline (AHMP) Program Regulations, Policies, and Procedures, however, wherever there is a conflict between the two regulations, the Super NOFA Regulations will prevail.~~

The housing created, preserved, and supported through the [Homes for LASuper](#) NOFA is intended to serve all populations identified by the United to House LA (ULA) Measure, California State Tax Credit Allocation Committee (CTCAC), the California Debt Limit Allocation Committee (CDLAC), the California Department of Housing and Community Development (HCD), and the U.S. Department of Housing and Urban Development (HUD). Some projects funded as part of the [Homes for LASuper](#) NOFA will be required to leverage City funding with other sources to the greatest extent possible, while others may pursue more limited leveraging strategies, depending upon which program funding pool is sought.

These [Homes for LASuper](#) NOFA Regulations effectuate the [ULA Measure](#) and [Program Guidelines](#) (approved by the City Council pursuant to Council File No. 23-0038-S8) and will be implemented consistent with the streamlined affordable housing funding award process pursuant to Council File No. CF 23-0624.

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Table 1 below summarizes the seven (7) term sheets for which LAHD will solicit applications as part of the [Homes for LA Super](#) NOFA. Table 1 is not intended to be comprehensive of all requirements of the various term sheets, but is intended to guide applicants to the appropriate term sheet where all applicable requirements may be found.

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Table 1: Summary of the Term Sheets

Topic	Pooled Sources Multifamily AHMP New Construction	ULA Multifamily	Pooled Sources AHMP Preservation	ULA Acq/Rehab Preservation	ULA Alt Models Preservation	ULA Alt Models New Construction	ULA Operating Assistance
Eligible Applicants	Non-profit developers, LPs, and LLCs. For-profit developers are also eligible	Nonprofit developers, CLTs, LEHCs, public entities, LPs, LLCs. For-profit developers are also eligible	Non-profit developers, LPs, and LLCs. For-profit developers are also eligible	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs	Nonprofit developers, CLTs, LEHCs, public entities, LPs, and LLCs
Project Types	New Construction, Adaptive Reuse , Resyndication of projects with expiring covenants	New Construction, Adaptive Reuse	Preservation, Acquisition , Rehabilitation, Recapitalization and Capital Improvements without Acquisition Resyndication	Acquisition and Rehabilitation of deed-restricted affordable housing with covenants expiring in 10 years or less	Recapitalization and Capital Improvement without Acquisition	New Construction, Adaptive Reuse	A project applying for assistance must already be in the LAHD loan portfolio
Minimum Unit Count	20	40	None	None	None	40	None
Loan Limits	Up to 30% of TDC	Up to 30% of TDC	Up to 30% of Loan-to- Costs , with acquisition costs and replacement	Up to 30% of TDC	Up to 100% of TDC	Up to 80% of TDC	Up to \$4,000/unit plus an additional up to \$250,000

Topic	Pooled Sources Multifamily AHMP New Construction	ULA Multifamily	Pooled Sources AHMP Preservation	ULA Acq/Rehab Preservation	ULA Alt Models Preservation	ULA Alt Models New Construction	ULA Operating Assistance
			reserves disallowed from costsTDG				per project for emergency capital needs*
Leverage Requirements	LIHTC + other sources	LIHTC + other sources	None, but applicants encouraged to seek hard debtLIHTC+ other sources	LIHTC + other sources	None	None, but applicants with outside funding commitments will be prioritized	None
Labor Requirements	BABA; Davis-Bacon, prevailing wage	PLA	BABA; Davis-Bacon, prevailing wage	Prevailing wage, and PLA if 40+ units	Prevailing wage, and PLA if 40+ units	PLA	Prevailing wage
Rent/Income Limits	Max 80% AMI	Max 80% AMI	Max 80% AMI	Max 80% AMI	Max 80% AMI, except 20% of units can be unrestricted and 20% of units must be restricted to max 30% AMI	Max 80% AMI, except 20% of units can be unrestricted and 20% of units must be restricted to max 30% AMI	Max 80% AMI
Tenant Governance Required	No	NoYes	No	Yes	Yes	Yes	No

~~Draft as of April 29, 2025~~

Glossary of Table Terms

Abbreviation	Definition
AHMP	Affordable Housing Managed Pipeline
LIHTC	Low Income Housing Tax Credit
BABA	Buy America Build America
AMI	Area Median Income
PLA	Project Labor Agreement
TDC	Total Development Cost
CLT	Community Land Trust
LP	Limited Partnership
LEHC	Limited Equity Housing Cooperative
LLC	Limited Liability Cooperation

Standard Requirements Across All Funding Sources

1. Occupancy Monitoring Requirements
2. Default Thresholds
3. Site Control
4. RUDs: Unit Replacement + Relocation
5. Interest Rates
6. Developer Fee
7. Accessibility Requirements

Differences in Requirements Across All Funding Sources

1. Loan Limits
2. Project Underwriting*
3. Leveraging Requirements
4. Labor Requirements
5. Sponsor Underwriting**
6. Eligible Activities*** (loan types)
7. Affordability Covenant Term
8. Loan Term

*All projects will be subject to the uniform set of underwriting guidelines developed by [LAHDD](#) [Development & Finance](#). However, some projects may require additional underwriting related to CNA + Financial Distress evaluation.

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**All applicants must meet the criteria outlined in the [underwriting AHMP](#) guidelines, except CLTs are permissible for all programs and the Alternative Models programs do not allow for-profit developers and applicants must have experience with experience in tenant governance

***All programs will offer residual receipt loans with the exception of the Operating Assistance Program which may also be awarded in the form of a grant.

Questions and Technical Assistance

Please submit all questions or requests for online technical assistance to the “Ask a Question/FAQ” function of the online [Homes for LASuper](#) NOFA application. **Questions will not be accepted via email, phone, or by any means other than the online application.**

To ensure the fair and consistent distribution of information, all questions will be answered in the FAQ Section of the online application. No answers will be provided directly to individuals. The FAQ page will be updated on a regular basis to ensure the prompt delivery of information.

Additionally, LAHD will host a bidders conference at least five days before the [Homes for LASuper](#) NOFA opens for applications.

Submittal Deadlines

The submittal window for [Homes for LASuper](#) NOFA applications spans from September 5, 2025 to the deadline of October 20, 2025 at 11:59 p.m.

Applications will be accepted via the online Notice of Funding Availability application only. Any modification of forms and templates provided by LAHD without prior approval is not allowed. Any application and other application-related documents submitted after the deadline will not be accepted. All applicants are encouraged to file their applications as early as possible.

Proposed 2025 LAHD [Homes for LASuper](#) NOFA Timeline

DESCRIPTION	Tentative Date
Announce NOFA & Post Final Regulations	August 15, 2025
<u>Bidder's Conference</u>	<u>August 27, 2025</u>
Open Notice of Funding Availability	September 5, 2025
<u>Bidder's Conference</u>	<u>September 10, 2025</u>

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Post Q&A responses part 1	September 12, 2025
Post Q&A responses part 2	September 16, 2025
Post Q&A responses part 3	September 25, 2025
Notice of Funding Availability applications due by 11:59 p.m.	October 20, 2025
List of Applications and Self scores published	October 24, 2025
LAHD Scores published	November 25, 2025
Final Scores and Funding Transmittal Released to Mayor's Office	December 15, 2025 ⁵⁶

~~Draft as of April 29, 2025~~

SECTION 1: GENERAL PROVISIONS

The LAHD, through this [Homes for LA Super](#) NOFA, intends to solicit, evaluate, select, rank, project-manage and fund the new construction, operating assistance, rehabilitation and/or preservation of multi-family rental housing to address the needs of low-income households. The [Homes for LA Super](#) NOFA will award City-controlled funds from local, State, and/or federal sources and will seek to maximize their impact by aligning projects with LIHTC funding when possible. .

1.1 [Homes for LA Super](#) NOFA Funds Available and Leverage Requirements

The amount available for allocation will be determined by the availability of federal, State and/or local funding. The [Homes for LA Super](#) NOFA will offer seven (7) separate funding programs each with their own term sheets. Various funding sources are allocated to each program according to project type and leverage requirements as shown below:

Funding Program	Funding Available*	Primary City Funding Source	Required to Leverage Tax Credits Through LIHTC Pipeline Management
Pooled Sources Multifamily AHMP New Construction	Up to \$35M \$45M [2][3]	HOME/SB2/Linkage fee	Yes
ULA Multifamily	\$97.5M	ULA	Yes
AHMP Pooled Sources Preservation	Up to \$10M \$15M	HOME/SB2/Linkage fee	No Yes
ULA Acquisition & Rehabilitation: Preserving Affordability	\$30.4M	ULA	Yes
ULA Alternative Models New Construction	\$101.5M	ULA	No
ULA Alternative Models Preservation	\$52.9M	ULA	No
ULA Operating Assistance	\$34.3M	ULA	No

*These are approximate amounts and are subject to change. Availability of ULA

~~Draft as of April 29, 2025~~

funds for this [Homes for LA](#) ~~Super~~ NOFA is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the [Homes for LA](#) ~~Super~~ NOFA.

~~Draft as of April 29, 2025~~

1.2 Term Sheets

Each program will have its own term sheet dictating terms of the loan offered, specific threshold requirements, and a more detailed description of the particular requirements attached to that program. The term sheets are attached to this [Homes for LAsuper](#) NOFA and titled by the name referenced Table 1. The term sheets provide crucial, program-specific details that will not be found in the body of the [Homes for LAsuper](#) NOFA Regulations.

1.2.1.3 Non-Tax Credit Projects

The ULA Alternative Models New Construction, ULA Alternative Models Preservation, and ULA Operating Assistance Programs are not intended to leverage LIHTC.

ULA Alternative Models New Construction projects submitted without tax credits in the planned capital stack are still encouraged to pursue at least one additional source of private or public funds.

ULA Alternative Models Preservation and ULA Operating Assistance Programs are not expected or encouraged to seek additional non-City sources. However, sponsors may apply to these two programs together if the project requires assistance to replenish both operating and capital reserves. See [Section 68: Application Process](#).

1.3.1.4 Tax Credit Projects

~~Projects seeking tax credits shall be structured utilizing one of the following funding sources:~~

- ~~— 9% LIHTC~~
- ~~— 4% LIHTC combined with tax-exempt bonds~~

~~All AHMP New Construction and AHMP Preservation projects are to be underwritten in compliance with HOME Investment Partnership Program Funds (HOME) requirements.~~

~~ULA Multifamily, AHMP New Construction, AHMP Preservation and ULA Acquisition & Rehabilitation projects that obtain funds from LAHD, and require the issuance of bonds, must use LAHD as the issuer of those bonds.~~

1.4.1.5 Funding Awards and Admittance Terms: ~~Pooled Sources Multifamily AHMP New Construction, AHMP Pooled Sources~~ Preservation, ULA Multifamily New Construction, and ULA Acquisition/Rehabilitation Preserving Affordability

~~Projects applying under any of these programs must be structured with either 9% LIHTC or 4% LIHTC in the planned capital stack.~~

If awarded under the [Homes for LAsuper](#) NOFA, the project will be tentatively assigned a tax credit round under which to apply and will be required to apply for that tax credit round.

[Pooled Sources Multifamily Program and Pooled Sources Preservation Program projects must comply with HOME Investment Partnership Program \(HOME\) funding requirements.](#)

LAHD's commitment of funding to the successful applicant shall be valid for up to [1224](#) months from the date of the LAHD award letter. If the project is unsuccessful in obtaining tax credits for the assigned

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round, the [Homes for LA Super](#) NOFA [funding commitment term](#) may be extended for up to twelve (12) additional months. If the project becomes infeasible due to non-compliance, failure to achieve project readiness milestones, or inability to obtain tax credits, its conditional award shall be terminated subject to the discretion of LAHD's General Manager.

1.6 Funding Awards and Admittance Terms: ULA Alternative Models New Construction and ULA Alternative Models Preservation

Projects in both of these programs may propose additional funding sources at the time of application to the [Homes for LA Super](#) NOFA. If awarded under the [Homes for LA Super](#) NOFA, the commitment term of the award shall be valid for up to 24 months from the date of the LAHD award letter. If the project becomes infeasible due to non-compliance and/or failure to achieve project readiness milestones, or if the additional source(s) becomes unavailable, LAHD's General Manager has the discretion to reallocate the funding.

Additionally, ULA Alternative Models New Construction and ULA Alternative Models Preservation Programs have an **Enhanced Environmental Health Commitment requirement**, which is triggered on development sites with a CalEnviroScreen 4.0 Overall Score in the 80th percentile or greater. Please refer to *Section 5: Threshold Requirements* for more detail on the requirement.

1.51.7 Funding Awards and Admittance Terms: Operating Assistance

Under the ULA Operating Assistance program, it is possible that due to inadequate cash flow, projects may show delays in complying with Rent Escrow Account Program (REAP), fail a background check, or exhibit non-compliance with other business policies applicable to all other programs. If this is the case, projects may still be eligible for funding even if they fail the background check so long as part of the stabilization plan demonstrates how the project will continue to pay down the LAHD loan.

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SECTION 2: LOAN TERMS AND REQUIREMENTS

Interest and Loan Repayment

2.1 Interest Rate

The interest rate for residual receipts loans will be three percent (3%) simple interest, but if it is found to be necessary for project feasibility, LAHD may determine a lower interest rate of no less than one percent (1%).

2.2 Payment of Interest During Construction

The Department will ~~waive~~allow the deferment of accrued construction loan interest to ensure the financial feasibility of a project, if needed by the project sponsor. Construction loan interest can be waived for three (3) years, starting from the date of the first Warrant (Los Angeles City check) of the disbursement of the loan proceeds, or issuance of the project's Temporary Certificate of Occupancy (TCO), whichever is shorter.

If ~~interest waiver~~deferment is not needed, during the period of construction, accrued interest (hereinafter referred to as "Construction Period Accrued Interest") shall be calculated from the date of the first Warrant (Los Angeles City check) of the disbursement of the LAHD loan proceeds, until the date of the project's date of completion, which is defined here as the date indicated in the project's final Certificate of Occupancy. [4] Construction Period Accrued Interest shall be due and payable no later than the date of the project's permanent loan conversion.

For rehabilitation projects, the date of completion shall be the same date as the recordation date of Notice of Completion. Payment of the Construction Period Accrued Interest is a condition required prior to conversion of the LAHD loan from a construction loan to a permanent loan.

2.3 Payment of Interest After Completion of Construction

Thereafter, payment of interest shall be made from annual residual receipts, beginning the First Payment Date and each year thereafter through the term of the loan. After project completion, accrued interest shall be deferred. Principal shall be due at maturity of the loan. Interest shall be repaid if there is adequate cash flow after the Allowable Deductions are made.

2.4 Repayment of the LAHD Loan

LAHD loans shall be repaid through a residual receipts distribution which allows the project to repay principal and accrued interest when adequate cash flow is available for distribution. LAHD shall receive fifty percent (50%) share of the cash flow remaining after the Allowable Deductions, unless there are multiple government agencies funding the same project. In which case, LAHD shall receive a pro-rata share of the residual receipts based on the amount of funds LAHD has awarded to the project versus the total of all funds from all agencies. The Allowable Deductions from the cash flow shall be as follows:

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- Operating expenses calculated on an accrual basis;
- Debt service on senior project debt;
- Payments to the operating reserve fund;
- Payments to the replacement reserve fund;
- Actual deposits to the supportive services reserve fund;
- Repayment of General Partner Operating loan/s;
- Payment of deferred developer fees excluding any interest;
- ~~Five thousand dollars (\$25,000)~~ for projects that LAHD does not allow any other fees to be deducted prior to payment of residual receipts to the LAHD.

2.5 Commercial Space and Calculation of Residual Receipts

Commercial space is defined as all non-residential space that is a structurally integral part of, and within the envelope of a mixed-use development. A non-residential space that is used by the property owner primarily for the benefit of the tenants, (e.g. laundry room, community room, etc.), shall not be considered a commercial space.

The Sources and Uses of funds in the development budget ~~as required in Section 2.11~~, shall contain detailed line items and apportioned amounts for any commercial component that is separate from its residential component. The financial proforma shall include cash flow projections for residential and commercial space.

2.6 Developer Fee

Allowed developer fee for Super NOFA capital projects will use the most recent TCAC standards for 9% credits. The ULA Operating Assistance Program does not allow any developer fee.

2.6—2.7 Default

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

- Failure to construct or rehabilitate the proposed project within the time agreed;
- For acquisition projects, failure to purchase the subject property;
- Breach of rental/ownership covenants;
- Failure to maintain the property in good condition;
- Failure to make agreed-upon loan repayments;
- Failure to receive an LAHD approval prior to any change in ownership entity;
- Breach of affirmative action, equal opportunity, contractor responsibility, equal benefits or MBE/WBE requirements;
- Failure to submit annual financial statements certified by a certified public accountant;
- Failure to comply with Davis-Bacon or State Prevailing Wage requirements;
- Failure to comply with any applicable Project Labor Agreement requirements (including Measure ULA Project Labor Agreement) and prevailing wage requirements, as applicable;
- Failure to meet accessibility construction standards, and/or failure to comply with all

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applicable accessibility standards, including but not limited to: Section 504 of the Rehabilitation Act of 1973 as amended, Title VIII of the Civil Rights Act of 1964 as amended in 1988 by the Fair Housing Amendments Act, and the Americans with Disabilities Act Title II, the State of California's Unruh Act, Department of Fair Employment and Housing (DFEH) Regulations and California Government Code Section 11135 et. seq.;

- Failure to maintain appropriate insurance coverage without LAHD approval;
- Commencing construction (including demolition) without LAHD authorization;
- Failure to abide by development and/or construction schedules;
- Failure to maintain the project "in balance" during construction;
- Failure to pay property taxes that are associated with the project;
- Bankruptcy;
- Dissolution or insolvency of the ownership entity;
- Failure to adhere to construction cost limits as stated in Section 9 of these regulations; or
- Uncured event of default under any other loan agreements from federal, state, or county or private lenders.

~~2.7~~ **2.8 Conversion Conditions**

LAHD will not allow a construction loan to convert to a permanent loan unless the following conditions are met:

- a. Receipt of a Certificate of Occupancy, a Temporary Certificate of Occupancy or acceptable evidence of final sign-off from the Los Angeles Department of Building and Safety; LAHD receipt of complete rent rolls
- b. Evidence of application for property tax abatement, [or exemption](#), if original proforma contemplated tax abatement [or exemption, or evidence that the property is owned by an entity or body that is exempt from taxation pursuant to Section 3 of Article XIII of the California Constitution](#)^[5]
- c. Evidence that any conventional debt for the project has closed or will close concurrently;
- d. Payment of the construction period accrued interest on LAHD's Acquisition-Predevelopment/Construction Loan that shall have accrued interest during construction period (applicable to projects that will be included in the Pipeline beginning 2015 and thereafter)
- e. LAHD's acceptance of a Final Accessibility Report from a State-Certified Access Specialist Program consultant (CASP), [provided that the Final Accessibility Report will not be required for acquisition-only projects that do not include rehabilitation;](#)
- ~~f.~~ [Verification of Compliance for the Development has been issued by the Neutral Accessibility Consultant \(NAC\), provided that this will not be required for acquisition only projects that](#)
- ~~f.g.~~ [do not include rehabilitation;](#)
- ~~g.h.~~ LAHD's receipt of the draft cost certification prepared by an independent Certified Public Accountant or accounting firm, according to generally accepted auditing standards.

~~2.8~~ **2.9 Occupancy Monitoring**

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Property Management Plan

Skilled property management is critical to the success of affordable housing developments. As part of the Project Readiness evaluation process, applicants must submit a Property Management Plan (PMP) no later than 120 days prior to opening for marketing date. The PMP shall include an outline of the project's Affirmative Marketing process, including information concerning outreach to the various communities interested in leasing mobility and sensory accessible units, and ongoing monitoring of the occupancy in these units ([Exhibit 4](#)). The LAHD shall only accept PMPs that are completed using the LAHD PMP module. Any PMP that is not submitted via the module will not be accepted.

[If the project includes federal rental assistance subsidy, then in the case of any conflict between the PMP module and a federal statute or regulation pertaining to the federal subsidy program, the provisions of the federal statute or regulation shall control as they pertain to any such conflicting provision.](#)

[6]

Household Income Limits for All [Homes for LA Super](#) NOFA Projects and Rent Schedules

LAHD will apply a general household income requirement of 80% AMI or below for occupants in all programs in the [Homes for LA Super](#) NOFA. However, projects braiding in outside funds (i.e. LIHTC) must comply with all applicable rent and income limits from various funding sources.

ULA Alternative Models New Construction and ULA Alternative Models Preservation have a limited exemption from the 80% AMI requirement. These two funding programs allow 20% of a project's units to be unrestricted with respect to the household's rents and incomes. Additionally, 20% of a project's units must be restricted to Acutely Low Income (ALI) [households at 15% AMI](#), or Extremely Low Income (ELI) households [at 30% AMI](#). These projects have the option of using mixed-income approaches to cross-subsidize the ALI/ELI units.

All [Homes for LA Super](#) NOFA funding programs will use HUD rent schedules, unless the funded project braids in additional sources that require a more restrictive funding source. Rent schedules can be found on the LAHD website and sponsors should use the most recent versions available:

<https://housing.lacity.gov/partners/land-use-rent-income-schedules>

Affirmative Marketing

Applicants must demonstrate that they have corrected all Occupancy Monitoring deficiencies, e.g., issuing documentation of having corrected rents that were over-charged to tenants, and have met all affirmative marketing requirements set forth by LAHD. As part of affirmative marketing, project sponsors will be required to market to non-English speakers and collect demographic data on tenants. The compliance period includes up to 5 years of occupancy compliance history. Applications not meeting this criterion will be automatically rejected and will not be considered for further review during the current Notice of Funding Availability.

Property Management (residential and commercial)

LAHD reserves the right to approve the property management firm for each project. [If during the life of the project, LAHD determines that the costs associated with management of the property are higher than those of comparable projects, LAHD may require a change in the property management provider if costs are excessive relative to peers, or if the property manager fails to perform.](#) Prior to completion

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of construction, developers must prepare a Property Management Plan (PMP) in accordance with LAHD requirements and receive approval of that PMP prior to lease-up. All affordable housing units must be leased within six (6) months of completion.

The LAHD reserves the right to disapprove any commercial space tenants that will use the project's commercial space for any trade or business consisting of any operation that caters exclusively to adults, which may negatively impact tenants' safety and welfare. Such businesses include but are not limited to massage parlors, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store, of which its principal business is the sale of alcoholic beverages for consumption off premises, etc.

2.9—2.10 Fair Housing Act's Exemption Regarding Senior Housing

The Federal Fair Housing Act prohibits discrimination based on family status, i.e., a project's Declaration of Covenants, Conditions, and Restrictions (CC&Rs) cannot exclude children. However, in accordance with Housing for Older Persons Act of 1995 (HOPA), the Fair Housing Act specifically exempts three types of housing for older persons from liability for familial status discrimination. Such exempt housing projects can lawfully refuse to sell or rent dwellings to families with minor children if they qualify for the exemption. In order to qualify for the "housing for older persons" exemption, a project must satisfy the following requirements:

- At least 80% of the occupied units must be occupied by at least one person 55 years of age or older. Projects can, if they so choose, require that 100% of the units have at least one occupant who is 55 years of age or older;
- The project shall publish and follow policies that demonstrate an intent by the association to provide housing for persons 55 years of age or older; and
- The project shall comply with age verification procedures designed to ensure compliance with 55+ requirements.

2.10—2.11 Accessible Housing Program Compliance

Covered Housing [7][8]

Covered Housing Projects of the Accessible Housing Program ([AcHP](#)) that are owned by the applicants, the applicants' partners, or in which the applicants' principals have a vested interest must be in certified or substantial compliance with the Accessible Housing Program. [Applicants to this Homes of LA NOFA solicitation must maintain continued compliance with \[9\]AcHP standards for any other projects in the applicant's, or the applicant's partners', portfolios if those projects are subject to AcHP. \[10\]](#)

Fair Housing Policy Regarding Disability

Projects must follow the "[Fair Housing Policy in Regard to Disability](#)" which details affirmative marketing, reasonable accommodations/ modifications, and tenant selection requirements, as they relate to compliance with California's Fair Employment and Housing Act (FEHA) and its Unruh Act, the federal Fair Housing Act (FHA), The Rehabilitation Act of 1973, Section 504 (§504) and the Americans with Disabilities Act (ADA).

2.11—2.12 Permanent Supportive Housing (PSH) Projects

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Coordinated Entry System + Population Priorities

To compete as a Permanent Supportive Housing project, the proposed development must serve extremely low, extremely and very low income, chronically homeless special needs individuals and veterans, ~~formerly homeless~~, homeless families, homeless transition-aged youth (TAY), homeless seniors, homeless seniors, homeless disabled. All matching of PSH units shall be administered through the Coordinated Entry System via the Los Angeles Homeless Services Authority or successor agency.

Supportive Services Plan for Supportive Housing Units

All supportive and affordable housing projects that have supportive housing units within each project shall submit a Supportive Services Plan that includes a detailed outreach plan for each proposed population, a staffing plan, and supportive services budget. Additionally, projects with Accessible Housing Program (AHP) units shall submit a plan to incorporate the Coordinated Entry System (CES), and the LAHD's Affordable and Accessible Housing Registry in leasing to persons needing accessibility features.

Vouchers in PSH Projects

Where discrepancies exist between these ~~2025—Homes for LA Super~~ NOFA Regulations and HACLA/LACDA's PBV Notice of Funding Availability requirements, rental subsidy programs within LA County Measure A, California State Proposition 1 or the Flexible Housing Subsidy pool, the requirements attached to the agency providing the rental subsidy will prevail.

Leasing Process

For ~~Homes for LA Super~~ NOFA-Funded Permanent Supportive Housing projects using Project-Based Vouchers, developers must comply with the leasing preferences outlined in the Housing Authority of the City of Los Angeles PBV NOFA or the recent Los Angeles County Development Authority NOFA. This includes but is not limited to the requirement that both initial and ongoing vacancies of PBV units are filled using developer-created and maintained PBV Waiting Lists for the site (to be monitored by HACLA) or by referrals from the County Health Departments or Veterans Affairs, as appropriate. HACLA may also refer PBV applicants from the Section 8 tenant-based Housing Choice Voucher Program waitlist.

2.12—2.13 Land Use Compliance

Replacement Unit Determinations (RUD)

Projects may be subject to affordable replacement requirements per the Housing Crisis Act of 2019, the Resident Protections Ordinance (LAMC 16.60), or specific plan replacement requirements, which may require like-for-like (i.e. same bedroom and bathroom) replacement of existing units. Any affordable replacement unit(s) required per the RUD shall be replaced at an affordable rent per California Health and Safety Code (HSC) Section 50053 or at an affordable housing cost per HSC Section 50052.5.

Land Use Covenants

Projects that are requesting land use incentives/entitlements (ex. Density Bonus, TOC, Citywide Housing Incentive Programs, etc.) that allow for a density increase, parking reduction, etc., will be subject to affordable unit restrictions based on the incentive program being utilized. Affordable units required by the land use incentive/entitlements requested and replacement law shall be occupied by

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eligible Acutely Low (HSC Section 50063.5), Extremely Low (HSC Section 50106), Very Low (HSC Section 50105), Low (HSC Section 50079.5) and Moderate (HSC Section 50093) income households, as applicable. The maximum allowable rent that can be charged to eligible households for some of these restricted units may be lower than IRS Code Section 42 LIHTC (CTCAC) rent limits.

Before applying to the [Homes for LAsuper](#) NOFA, applicants should review the RUD and Land Use Covenant requirements and application forms, which are available through LAHD's website at <https://housing.lacity.gov/partners/developer-resources>, or contact LAHD-Landuse@lacity.org with questions. Applicants are strongly encouraged to submit their RUD and Land Use Covenant applications as soon as possible to allow LAHD ample processing time prior to closing.

Land Use Fees

Projects must budget in their proforma the fees that are associated with services provided by LAHD's Land Use Section, e.g. covenant preparation, Replacement Unit Determination, covenant monitoring. These fees are effective as of January 16, 2017. For more information regarding fees, please visit:

<https://housing.lacity.gov/wp-content/uploads/2024/03/Schedule-of-Land-Use-Fees.pdf>

Relocation and Displaced Residents

If a new construction project requires residential relocation or permanent displacement, the project should seek to minimize permanent displacement of the site's residents.

Demolition and replacement of single room occupancy (SRO) and Residential Hotel units will be permitted only under the following circumstances:

1. The project is economically non-viable, physically obsolete or severely distressed; and
2. Where an owner is transferring all of a rental assistance contract under a Rental Assistance Demonstration (RAD) Use Agreement or similar government-sanctioned or court ordered program, the owner must engage in consultation with residents and a nonprofit entity must retain ownership or control of the units to preserve their long-term renewable use and affordability restrictions;
3. At minimum, a project to which assistance is transferred must provide an equal or greater number of decent and safe affordable units with complete private kitchen and bath facilities. Fifty percent (50%) of those units must provide permanent supportive housing with no net loss of units.

If the proposed site is occupied, a Tenant Displacement Assessment and Relocation Plan must be conducted before applying to the [Homes for LAsuper](#) NOFA. All projects will be required to adhere to the Uniform Acquisition and Relocation Act of 1970 (URA) or the City of Los Angeles' Rent Stabilization Ordinance (RSO).

Applicants are required to retain up-to-date records of the relocated/displaced tenants' addresses and to properly notify said tenants of lease-up information. Copies of the notice, with proof of delivery (i.e., copies of notices with tenant's signature or certified/registered mail receipts with postmarked U.S. Postal form PS 3811) must be delivered to LAHD for all tenants that were listed in the Relocation Tenant Rent Roll as of the date of the project's [Homes for LAsuper](#) NOFA application.

SECTION 3: LAHD POLICIES AND PROCEDURES

3.1 Compliance with LAHD Business Policy

LAHD may deny applications from individuals or entities that have not met current obligations to the City, as identified in LAHD's Business Policy. All applicants are subject to background checks to ensure compliance with the Business Policy, in addition to LAHD Code, Rent Registration, Occupancy Monitoring, Accessible Housing Program (AcHP), and Portfolio Management requirements. Submittal of a proposed project by an applicant that is not in compliance may result in disqualification of the project.

[Homes for LA Super](#) NOFA awardees are required to comply with LAHD Business Policy, inclusive of LAHD Code, Rent Registration, Occupancy Monitoring, Accessible Housing Program (AcHP), and Portfolio Management requirements.

LAHD has worked with a substantial number of developers over the years to create affordable housing. However, in some cases, developers exceeded their capacity to complete projects that have received City funding commitments. In response, LAHD received approval from the Mayor and City Council to adopt the Department's Business Policy. Applicants and their business partners who are in violation of the Business Policy are disqualified from LAHD solicitations.

Non-compliance includes, but is not limited to, any monetary or non-monetary compliance issues, such as failure to submit payments when due, failure to submit required financial statements in a timely manner, failure to submit documents verifying adherence to rent regulatory agreements when required, failure to comply with the requirements of any rent regulatory agreement or covenant, and failure to correct any building deficiency noted by any governmental agency in a timely manner.

LAHD will conduct a background check internally, based on the information provided to determine if any outstanding financial statements, residual receipts payments, Rent Registration or Code (SCEP), or Land Use Monitoring fees are due, if there are unpaid property taxes, lapsed insurance, Occupancy Monitoring (tenant eligibility) issues or issues concerning Accessible Housing Program (AcHP) compliance, Affirmative Marketing due to non-listing on <https://lahousing.lacity.org/AAHR>, outstanding cited habitability violations, and/or if the property is in any of the City's compliance programs due to unabated habitability violations (i.e. REAP). Failure to disclose all applicable properties may result in disqualification of the application.

3.2 Misrepresentations or Material Changes to the Project

Any changes regarding the borrowing entity or changes to the project's design, including but not limited to unit count, unit configuration, and/or financial structure of either the applicant or the project, subsequent to the submittal of the [Homes for LA Super](#) NOFA application must be communicated to LAHD in writing, [and may require Council approval](#). In the event misrepresentations are made regarding either the borrowing entity or the project, LAHD's commitment will be cancelled.

3.3 Security

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

3.4 Standardized Pet Policy for projects within the City of Los Angeles

Ordinance No. 186228 (Ordinance) is a City of Los Angeles ordinance adding Article 17 to Chapter IV of the Los Angeles Municipal Code and is entitled “Pet Ownership in Publicly-Financed Housing Developments”, authorizes tenants of new or rehabilitated multifamily housing financed, in whole or in part, by the City of Los Angeles on or after the effective date of the Ordinance, to have at least one pet in a rental unit consistent with applicable Federal, State and Local Laws.

The Ordinance defines a “Pet” as a common household domesticated animal such as a dog, cat, rabbit, bird, mouse, rat or similar small rodent, fish or turtle that is kept in the home for pleasure rather than for commercial purposes. “Pet” shall not include any equine (including any horse, pony, donkey, burro or mule), swine, sheep, goat, cattle, poultry or other similar livestock, and shall not be kept in an affordable housing unit for commercial purposes. If this definition conflicts with any applicable state law or regulation defining the pets that may be owned or kept in residential dwellings, the state law or regulation shall apply. Specific [Homes for LA Super](#) NOFA policies and guidelines for this Ordinance are outlined in Exhibit 08.

The Ordinance requires landlords to maintain and provide a copy of pet policies to tenants. A Project’s pet policies shall include all mandatorily required policies and may also include discretionary guidelines designated by the owner or operator and specific to each Project. Mandatory and allowable discretionary policies are outlined in Exhibit 08.

3.5 Assurances and Conditions Certification

The authorized signatory(s) for each applicant organization must read the Assurances and Conditions outlined below and submit a completed Assurances and Conditions Certification form (Document 25). By doing so, the applicant acknowledges understanding of an agreement with the following provisions that will be required at the time of contract negotiations:

3.6 Affirmative Action

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

3.7 Insurance

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

3.8 Service Contract Worker Retention Ordinance and the Living Wage Ordinance (SCWRO and LWO)

The chosen contractor(s) shall comply with all Los Angeles Administrative Code (LAAC) Sections 10.36

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et seq., SCWRO and LWO. A Declaration of Compliance must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

3.9 Equal Benefits Ordinance (EBO)

The chosen contractor(s) must be certified as compliant. **Certifications:** Applicant(s) shall provide copies of the following documents to the LAHD:

- Certification regarding ineligibility, suspension, and debarment as required by Executive Order 12549.

Certification and Disclosure Regarding Lobbying. Contractor(s) shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure, or which materially affects them with the Los Angeles Administrative Code Section 10.8.2.1, EBO, prior to the execution of any City Agreement. The EBO forms must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

3.10 Slavery Disclosure Ordinance

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

3.11 MBE/WBE/OBE Subcontractor/Supplier Information

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

3.12 [Article XXXIV \(Article 34\) Letter](#) [Article XXXIV \(Article 34\) Letter](#)

Applicants are highly encouraged to contact the LAHD Housing Development Bureau prior to the NOFA application deadline to confirm the availability of Article 34 Authority in the Council District where the project is located. Contact information is written below.

LAHD
Housing Development Bureau
Attention: Article 34 Unit
Email: lahd-article34@lacity.org

LAHD will issue an Article 34 letter for projects that receive [HUD funding Super NOFA funds](#) through the [Pooled Sources Multifamily Program or Pooled Sources Preservation Program Super NOFA](#) whenever the Department receives a request from its project sponsor for such a letter. For leveraged [Homes for LA Super](#) NOFA projects within the [Homes for LA Super](#) NOFA, prior to a TCAC deadline during the "Readiness" stage, LAHD will also issue this letter and include the relevant approval forms that are

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required in a TCAC application funding round.

~~3.12~~ 3.13 **Amendment and Modification Fees**

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

3.13 ~~3.14~~ **Disallowed Costs**

LAHD reserves the right to disallow any costs which it believes to be excessive, avoidable, unwarranted or disallowed pursuant to any and all funding guidelines. Additionally, LAHD will not approve a loan based on costs that are unreasonable or inconsistent with industry standards.

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SECTION 4: TAX CREDIT PROJECTS ONLY

~~4.1 Minimum CTCAC Final Tie-Break Scores for 9% CTCAC or 4% CDLAC Set-Aside Applications~~

~~To ensure CTCAC competitiveness, any application proposing a 9% LIHTC financing structure that will compete for a tax credit allocation under the CTCAC's Nonprofit Set-Aside, Special Needs Set-Aside, or "At-Risk" Set-Aside, shall use an amount of AHMP subsidy, in combination with other leveraging sources, that is necessary to achieve a tie-break score that is higher than the lowest winning Final Tie-Break Score of the respective Set-Aside from the last CTCAC funding round relative to the NOFA application deadline.~~

~~4.2 Multi-phased and/or Hybrid-Simultaneous Projects~~

~~For multi-phased and/or hybrid-simultaneous projects, both phases of a multi-phased development or hybrid model must obtain high enough scores that would make both phases qualify for admittance. If either phase fails to achieve an eligible score, both phases will not be admitted. For purposes of this subsection, LAHD defines a multi-phased project as set forth in CTCAC guidelines.~~

SECTION 45: HUD-FUNDED PROJECTS ONLY

5.1 4.1 Compliance with HUD

~~The management of the projects in the Super NOFA's AHMP pipeline shall be in a manner that ensures LAHD's compliance with HUD's commitment, funding, and expenditure requirements. All funding for the Pooled Sources Multifamily Program and Pooled Sources Preservation Program AHMP pipelines within the Super NOFA projects shall comply with is subject to HUD requirements, in addition to all other applicable federal, state and local laws, as may be amended from time to time. Per Section 1.2, r~~Regardless of the leveraged funding source, all Pooled Sources Multifamily AHMP projects and Pooled Sources Preservation projects within the Homes for LA Super NOFA will be underwritten assuming HUD HOME Investment Partnership Program Funds (HOME). Therefore, projects must be in conformance with Code of Federal Regulations (CFR) Title 24 Part 92 Subpart F. Specifically, 24 CFR § 92.251 pertaining to property standards, including but not limited to 1) state and local codes, ordinances, and zoning requirements, 2) accessibility, 3) disaster mitigation, 3) written cost estimates, 4) construction progress inspections, and 5) broadband infrastructure, and 24 CFR 92.359 pertaining to requirements under the Violence Against Women Act. ~~The AHMP New Construction and AHMP Preservation Programs will use HOME funds:~~ All units assisted by HOME Funds must be affordable to households at or below 60% of the Area Median Income (AMI) for the Los Angeles-Long Beach CA HUD Metro FMR Area and/or State HCD AMI;

5.2 4.2 Davis-Bacon Wage Requirements

The U.S. Department of Labor (DOL) issues Davis-Bacon Work Determinations reflecting prevailing wages and benefits paid by the construction industry within specific localities. The Work Determinations are further classified by the nature of the construction projects performed, specifically listed as "schedules:" residential, building, highway, and heavy construction. For more information, consult the Homes for LA Super NOFA Regulations Appendix or refer to the DOL webpage on Federal Davis-Bacon Wage Determinations at <https://www.sam.gov/wage-determinations>

Residential Construction: Includes the construction, repair or alteration of single-family houses, or apartment buildings of no more than four stories in height. This includes all incidental items such as site work, parking areas, utilities, streets, and sidewalks.

Projects utilizing LAHD funds will be subject to the payment of wages to laborers and mechanics at a rate not less than the minimum prevailing wage rate specified by the Secretary of Labor, in periodic wage determinations (Davis-Bacon Wages), in conformity with either HOME, CDBG, NSP or other applicable federal funding regulations.

5.3 4.3 Environmental Review

The National Environmental Policy Act (NEPA) was established in 1969 to give environmental values appropriate consideration in decision-making with regard to federally-funded projects. Because some projects funded under these Homes for LA Super NOFA Regulations assume federal funds, the environmental review process and clearance must meet NEPA standards. Therefore, all applicants utilizing HOME funds seeking AHMP Multifamily and AHMP Preservation, as well as any other

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applicants planning to leverage federal funds in their project capital stack shall be required to obtain a NEPA environmental clearance before undertaking or committing any funds to physical or choice-limiting actions, including further property acquisition, demolition, movement, rehabilitation, repair or construction. Violation of this provision may result in the denial of funds.

An option agreement on a proposed site or property is allowable prior to completion of the environmental review, on the condition that: 1) the option agreement is subject to a determination by the LAHD on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58 and, 2) the cost of the option is a nominal portion of the purchase price.

In addition, projects must meet the requirements of the California Environmental Quality Act (CEQA) and obtain CEQA clearance through the City of Los Angeles' Department of City Planning (Exhibit 02). NEPA and CEQA environmental laws differ in their requirements; project approval under CEQA does not constitute NEPA project approval, and vice-versa.

The provision of any funds to the project is conditioned on LAHD's determination to proceed with, modify or cancel the project based on results of the NEPA environmental review. An initial letter stating that funds will be awarded to the project does not constitute a commitment of funds or site approval until satisfactory completion of a NEPA environmental review with a letter of clearance and receipt by the City of Los Angeles of an Authority to Use Grant Funds from HUD under 24 CFR Part 58.

~~5.4~~ 4.4 **Section 3 (Local Hiring); Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Requirements**

Applicants utilizing federal funds must certify that the general contractor, subcontractors and/or service providers will comply with HUD Section 3 requirements to provide opportunities for employment to lower-income neighborhood residents in the City of Los Angeles. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to local businesses. In addition, contractors, subcontractors and/or service providers will be expected to adhere to the City's Affirmative Action Requirements.

~~5.5~~ 4.5 **General Information Notices**

Uniform Relocation Assistance (URA) Regulations require that persons living in housing where federal funds will be utilized for acquisition, rehabilitation and/or redevelopment of the project, be notified that they will not or may be displaced as a result of the proposed project. HUD requires that tenants be provided with a General Information Notice (GIN) (available [here](#) on the HUD website) as soon as feasible. For the purposes of these [Home for LA Super](#) NOFA Regulations, the term "as soon as feasible" is defined as the date that the applicant [receives a funding award through the Homes for LA](#) ~~filed the application for the~~ Notice of Funding Availability.

It is therefore required that copies of the GINs that are sent to each of the tenants residing at the project site, along with proof/s that the notices were received by the intended recipients, be submitted [to LAHD with before the Homes for LA Super NOFA funds are released to an applicant application](#). In addition, the GIN must state that local, State, and/or Federal regulations regarding relocation or

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displacement payments may apply.

The exception to this requirement is if the developer can provide evidence of good cause as to why it was infeasible to issue GINs and provide proof of service at the time of Notice of Funding Availability application. In this instance, the developer must submit, along with the tenant rent roll, a written statement detailing why it was not feasible to serve the GINs.

However, in all cases, GINs must be served [within 30 days of](#)~~prior to~~ receipt of a loan commitment and evidence of such notices must be received by LAHD within 30 days of service to the tenant(s). If the project fails to secure a funding commitment, either through the [Homes for LA Super](#) NOFA or the chosen leveraging source(s), all GINs must be rescinded. In no case shall the LAHD maximum subsidy exceed the most recent maximum per-unit subsidy limits under the HOME Program published by HUD. Supportive Housing/Special Needs subsidy is applied on a per-unit basis, not on a per-bed basis.

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SECTION 5: THRESHOLD REQUIREMENTS, DOCUMENTS, AND DEFINITIONS

For applications to be considered complete, all applicable items listed in the threshold requirement checklist must be submitted. This section provides universal definitions for threshold requirements that occur across the [Homes for LA Super](#) NOFA's various funding programs, first presenting the information in the form of a checklist, followed by a more detailed explanation of the required standard for each item. **The term sheets have threshold requirements that are specific to each funding program. The term sheets refer back to the definitions in this section.**

If an application does not meet these threshold requirements, it will not be considered for the [Homes for LA Super](#) NOFA. Determination of completeness and compliance with thresholds and scoring of the application shall be based entirely on the application and all documents submitted therewith as of the filing deadline. No additional documents shall be accepted subsequent to the application filing date, except as specifically initiated and requested by LAHD.

Threshold Item	Required Documents
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clear Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition
4. Project sponsor must pass Sponsor Portfolio Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;

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Threshold Item	Required Documents
Assessments (ESAs) and remediate hazards	
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LASuper NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LASuper NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Tenants must be notified of potential displacement and their rights	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;

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Threshold Item	Required Documents
[11]134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards and optional Enhanced Accessibility Program (EAP) Checklist;
[12]145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
167: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 167: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
178: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 178: Evidence of committed Project-Based Vouchers (PBVs) and/or other long-term operating subsidy;
189: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 189: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;
1920: For ULA Acquisition & Rehabilitation projects only, Sponsors must demonstrate that project is expiring covenants	Document 1920: Sponsor must provide the deed of trust and covenant agreement on the property with expiring covenants or expiring Housing Assistance Payment (HAP) contract;
204: For Preservation and/or Operating Assistance only, Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 204: Sponsor must submit a detailed Stabilization Plan demonstrating how MegaSuper NOFA funds will support the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;
212: For ULA projects with at least 40 units only, construction	Document 212: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will

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Threshold Item	Required Documents
must comply with a Project Labor Agreement	comply with all the terms and conditions of the City of Los Angeles Board of Public Works Master Project Labor Agreement;
223: For ULA Alternative Models projects only , Project must address neighborhood level needs	Document 223: Project sponsor must submit a Statement of Public Purpose;
234: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project must address racial disparities	Document 234: Project sponsor must provide a Racial Equity Commitment;
245: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project incorporates tenant governance and development team has tenant governance experience	Document 245: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;
256: For ULA Alternative Models projects only , Project sponsor must engage community to identify environmental hazards beyond baseline Environmental Site Assessments (ESA)	Document 256: Project sponsor must submit an Enhanced Environmental Health Commitment narrative for any projects located in an area at 80th percentile or above in the CalEnviroScreen 4.0;

Document 1: UNOFA Application and Financial Proforma

In combination with the completed multi-agency online Universal Notice of Funding Availability (UNOFA) application, applicants must upload a completed financial proforma using the UNOFA proforma workbook template that is available for download in the UNOFA website. This applies to all types of projects (except those applying to the ULA Operating Assistance Program) i.e., 9% LIHTCs, 4% LIHTCs, and non-LIHTCs. [ULA Operating Assistance applicants must include a Variance Analysis in the proforma showing causes of operating gaps.](#)

The proforma must show positive cash flow [for at least 15 years](#) and Debt Service Coverage Ratio (DSCR) of 1.15 or more [for at least 15 years](#). The proforma must also provide a minimum 10% hard cost contingency for new construction and a minimum 15% hard cost contingency for preservation

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projects with rehabilitation.

Document 2: Conflicts of Interest and Liabilities Disclosure Form

The applicant/developer shall provide a list of all partnerships, corporations, joint ventures, and/or limited partnership entities (including the Applicant, if applicable), which the applicant currently is or has been associated with, and designate whether the applicant is/was a principal and list the applicant's title and responsibilities, including the purpose of the organization and its current status. Applicants must complete LAHD's Disclosure Form and submit a signed and certified version as Document 2.

In addition to identification of related parties, the Disclosure Form will require the sponsor to disclose defaults, foreclosures, bankruptcies, citations, criminal proceedings, civil litigation, and any other potential conflicts of interest or major legal liabilities. The project sponsor must provide explanations for any areas of concern, and LAHD, in its sole discretion, will determine if the explanation is acceptable. The Disclosure Form will also commit the project sponsor to providing an updated disclosure in the event that a new concern arises over the course of LAHD's commitment to the project.

Document 3: Preliminary Title Report and Demonstration of Site Control

Title Report

Regardless of the type of site control documents that will be submitted, all applicants/developers shall submit with the application, a copy of a Preliminary Title Report on the property/ies, which is prepared within ninety (90) days from the application deadline.

Site Control

A proof of site control must be submitted at the time of application. The site control must be demonstrated for a minimum of sixty (60) days post application deadline. The evidence of site control may be demonstrated by any of the following documents:

1. Fee title as demonstrated by a current title report;
2. Long-term leasehold interest (minimum term must equal the term of LAHD regulatory agreement);
3. Option to purchase or lease (obtaining financing shall be the sole impediment to exercising the option);
4. Executed land sale contract or other enforceable agreement for acquisition of the property;
5. An executed Disposition and Development Agreement (DDA) with a public agency (e.g., the Community Redevelopment Agency);
6. For L.A. City-owned sites and other public agency-owned sites (except for the Los Angeles County Metropolitan Transportation Agency or "Metro"), LAHD shall accept:
 - a. fully-executed DDA; or
 - b. an Option to Lease or an alternative document that meets CTCAC's site control requirement; or
 - c. a fully-executed Exclusive Negotiation Agreement (ENA) with deal terms that demonstrate the project will be able to meet the proposed project timeline as shown in the project's application.

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- d. For sites owned by the Metro, an executed Exclusive Negotiation Agreement is acceptable at application. [Prior to consideration for inclusion in LAHD's funding recommendation](#)^[13]n, a fully executed Disposition and Development Agreement (DDA) with that agency shall be required by LAHD.

Site Control Stipulations

The relative agreement must be:

1. Executed by both parties, including the principal of the developer and
2. Provide site control for at least sixty (60) days beginning from the deadline for submission of the Notice of Funding Availability application; the sixty (60) days can include all extensions provided in the agreement. In the event that City Council and Mayoral approval takes longer than sixty (60) days, the City will require confirmation of continuing site control prior to taking the project to City Council.

If an original Purchase and Sale Agreement that is submitted with the application has a term that is shorter than sixty (60) days, LAHD will accept this document only if it contains a provision that allows for an extension of the escrow. During the NOFA review period, in order for their application to move to the next phase of the underwriting, project sponsors shall be responsible in notifying LAHD if they:

1. Have secured the extension of the escrow, or
2. Have purchased the property, or
3. Wish to withdraw the application. After notifying LAHD, project sponsors shall submit proof that the escrow has been extended or that the property has been purchased.

LAHD will make available a reasonable amount of information on the status of each application under review at several milestones, including, but not limited to, initial applicant list and release of staff recommendations to City Council, prior to the final approval by City Council and concurrence by the Mayor. However, LAHD cannot commit to providing a formal acceptance into the [Homes for LAsuper](#) NOFA in less than 180 days from the deadline for submission of the Notice of Funding Availability application. Applicants must be aware that sufficient "site control" shall be required by LAHD at the time of CTCAC application.

Proof of Voluntary Acquisition Letter

The Proof of Voluntary Acquisition letter clarifies that the property will not be acquired through the power of eminent domain, and that the sponsor does not have the authority to compel such an acquisition.

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

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Document 4: Sponsor Portfolio Underwriting

All applicants will be evaluated per LAHD Sponsor Underwriting and determined to have acceptable experience and financial strength in order to proceed to scoring.

Sponsors must submit Audited Financial Statements (AFSs) with a lookback period of three (3) years, as well as a Real Estate Owned (REO) Schedule.

Applications must identify all members of the Development Team, including a State- Certified Access Specialist Program consultant (CASP) and consultant's CASP license or certification number. For more information on CASP, see Section 7.4.1 of the [Homes for LASuper](#) NOFA.

The following documents must be submitted at the time of [Homes for LASuper](#) NOFA application:

- An organizational chart of the proposed ownership structure
- List of Entities and Names of Partners
- LAHD Credit Check Authorization
- List of Board of Directors dated and executed within 90 days prior to the application
- Applicant's/Borrower's Certification Statement, see
- Board Resolution or Evidence of Consent from Majority Partnership Interest

For the purposes of the Notice of Funding Availability application submission, the Board Resolution shall be executed within ninety (90) days prior to the application deadline, and shall indicate the date of execution. The Board Resolution, at a minimum, shall contain the following language:

- Authorization to participate in the LAHD [Homes for LASuper](#) NOFA;
- Authorization to enter into and execute any and all contractual obligations, including but not limited to the City of Los Angeles Land Use Regulatory Agreement, Loan Agreement, and other documentation, as may be required by the City of Los Angeles
- Names and offices of the authorized signatories who may act on behalf of the corporation, based on the required categories below.
- In addition, at the time of Project Readiness (sixty days prior to CTCAC deadline), and the Project Loan Closing, an updated Resolution will be required to include a loan amount.

Document 5: Appraisals

All applicants shall provide an "as-is" appraisal and/or "as-built" appraisal with a date of valuation that is within 180 days before or after the execution of a purchase contract of the transfer of ownership by all the parties, or within one year of the application date if the latest purchase contract was executed within that year.

Appraisals shall be prepared by a California certified general appraiser having no identity of interest with the development partner(s) or intended partner or general contractor. "As-is" appraised value means the estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. "As-built" appraisal means the estimate of the market value of real property based on the proposed use considering proposed improvements and supportable income based on the improvements. [For capital projects](#), LAHD will require **both** an "as-built" appraisal and an "as-is" appraisal. The appraisal must also meet the Uniform Relocation Act definition of an appraisal.

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Additional appraisal requirements are listed in the regulations, which at a minimum shall follow the LIHTC regulations if the project seeks to leverage tax credits.

Document 6: Phase I Environmental [Site Assessment](#) or Phase I with Required Phase II

[Environmental Site Assessments \(ESAs\) are required for all projects involving major construction and/or rehabilitation.](#)

Phase I Environmental Assessments must follow the standards outlined in American Standards of Testing and Materials (ASTM) E 1527-13 and ASTM E 1527-21, to determine the potential presence of onsite and neighboring property contamination (including but not limited to lead-based paint, asbestos, methane, and radon). The Environmental Assessment must have been completed within the ~~24~~six months prior to the date of the application deadline. If a project's Phase I Environmental Assessment indicates the need for further assessment, [the sponsor must submit a Phase II report or a commitment to undertake the Phase II assessment](#) ~~must be submitted~~. The applicant must include a cost estimate for any required remediation.

If submittal of soils report will be deferred ~~pursuant to Section 2.23 of these regulations~~, the Environmental Assessment must indicate if the site falls within an area of the City that requires special investigations or analysis on LIQUEFACTION, EARTHQUAKE-INDUCED LANDSLIDE, AND FAULT-RUPTURE HAZARD. Those areas are as follows:

1. State Mapped Zones requiring Liquefaction and Landslide investigation/ mitigation per the Seismic Hazard Mapping Act, State of California Public Resources Code, Section 2690 et seq;
2. Alquist-Priolo Earthquake Fault Zones per the State of California Public Resources Code, Section 2620 et seq, and City of Los Angeles PFRSA. All of the zones or areas listed above may be viewed at the following website: <http://navigatela.lacity.org/navigatela/>

If the Phase I and/or Phase II reports were completed, but the completion date is more than ~~24~~six months prior to the application date, an updated Phase I and/or Phase II report, or a technical memorandum from an independent consultant is required confirming that the findings and conditions as indicated in the report are still the same. The original reports including the memorandum are required at the application submission.

Document 7: Soils Report

All new construction projects must submit a Soils Report completed within the past ~~twenty-four (24)~~ months of the Notice of Funding Availability application deadline, for the purposes of evaluating the geo-technical engineering characteristics of the on-site subsurface soils relative to the anticipated development.

The report shall include the items below:

1. Description of the field exploration and laboratory tests performed;
2. Evaluation of soil liquefaction potential;
3. Conclusions and recommendations relating to construction of the proposed residential development, based upon the analyses of data from exploration and testing programs;
4. Knowledge of the general and site-specific characteristics of the subsurface soils.

~~a.5.~~ The liquefaction potential analysis shall be based on the maximum historic groundwater level in accordance with CGS Special Publication 117, the SCEC Recommended

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Procedures, and LAMC 91.1804.5. Seismically induced total and differential settlements and lateral spreading shall be evaluated and reported.

~~b.6.~~ Reports for sites occupied by structures must include subsurface investigations that are conducted in compliance with, and subject to, City of Los Angeles Department of Building and Safety standards.

~~c.7.~~ Alternatively, project sponsors may submit in lieu of a soils report, an affidavit signed by all general partners' authorized representative stating that:

~~5.a.~~ The general partners acknowledge that the NEPA Clearance will not be issued within ninety (90) days of the project's admittance into the Pipeline^[14]; and,

~~6.b.~~ The soils report will be submitted to LAHD ninety (90) days prior to the CTCAC application deadline.

If a Soils Report was completed but the completion date is more than 24 months prior to the application date, an updated Soils Report, or a technical conformance memorandum from an independent consultant is required to confirm that the findings and conditions as indicated in the report are still the same. The original report including the memorandum are required at the time of application submission.

Document 8: Lead/Asbestos

All rehabilitation projects and new construction projects that involve demolition of existing structures in advance of the rehabilitation or new construction, must submit an asbestos assessment and lead-based paint report completed within the twelve months prior to the date of the application deadline.

For new construction projects where there is complete demolition of all existing structures, the applicant may submit a letter in lieu of a lead test and/or asbestos assessment report indicating that the presence of lead and/or asbestos is/are assumed and the appropriate federal, state, and local lead and/or asbestos hazard abatement protocols will be followed.

For occupied sites, assessment must include minimally invasive sampling of readily accessible surfaces. Testing for asbestos shall be subject to AQMD standards. As it relates to lead-based paint, testing and compliance shall be consistent with those standards outlined in HUD's "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (July 2012), including Chapter 7, Lead-Based Paint Inspection, which are the industry standard.

If the assessment determines that lead and/or asbestos is present, (except for new construction with complete demolition of the existing structure demolition as indicated above), a Lead and/or Asbestos Abatement Plan must be submitted. The applicant must include a cost estimate for any required abatement.

Document 9: Conceptual Architectural Plans or Schematics

For all projects involving major construction and/or rehabilitation, tThe Super NOFA application must include an electronic copy of schematic drawings or conceptual architectural plans. For Rehabilitation Projects only, preliminary architectural plans will be sufficient to satisfy this requirement.

Architectural plans must meet the most recent TCAC standards for living space dimensions and unit sizes. For additional information regarding Architectural Design Review and submittal requirements,

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including standards for finishings, HVAC systems, and appliances, please refer to Exhibit 01.

For ULA-funded New Construction projects, architectural plans must show that the project provides at least 40 units.

For all [Homes for LA Super](#) NOFA projects, project development teams are required to familiarize themselves with Enhanced Accessibility Program standards and indicate, via architectural plans, how and which standards the projects will follow.

Document 10: Competitive Criteria Self-Score Form and Minimum Competitive Score

A completed Self-Score Form for Competitive Criteria – Points System, is required at [Homes for LA Super](#) NOFA application deadline. The Self-Score Form will also require the applicant to certify that they have read the [Homes for LA Super](#) NOFA Regulations in its entirety.

The [Homes for LA Super](#) NOFA scoring methodology calculates some points on a relative basis, meaning that some scores can only be estimated until all applications are evaluated by LAHD staff. Project sponsors are encouraged to estimate to the best of their ability if the available information is not sufficient to arrive at a precise point score in every criterion.

Document 11: Relocation Project Summary Assessment

The Relocation Project Summary Assessment form must be valid and within six months of the application deadline. In addition, a copy of the relocation consultant's proposed or executed service agreement or contract, and the consultant's resume/qualifications must be provided. Applicants shall submit the following minimum threshold documents:

1. Relocation assessment
2. Resume/Qualifications of the Relocation Consultant
3. A completed Relocation Tenant Rent Roll as of the date of the project's NOFA application
4. Completed Project Summary Assessment form pertaining to Relocation
5. Proof of lease and/or payments(including cancelled checks and/or signed lease)

Document 12: Replacement Unit Determination (RUD)

Projects may be subject to affordable replacement requirements per the Housing Crisis Act of 2019, the Resident Protections Ordinance (LAMC 16.60), or specific plan replacement requirements, which may require like-for-like (i.e. same bedroom and bathroom) replacement of existing units. All development projects that demolish or remove dwelling units, with some exceptions for industrial projects, must submit a Replacement Unit Determination (RUD). Any affordable replacement unit(s) required per the RUD shall be replaced at an affordable rent per California Health and Safety Code (HSC) Section 50053 or at an affordable housing cost per HSC Section 50052.5.

~~Document 13: Leasing Requirements Policy and Proof of Noticing for Relocated/Displaced Tenants~~

~~Project sponsors are required to provide noticing to tenants who will be displaced and/or relocated. For HUD-funded projects, existing residents must be notified with the General Information Notice (GIN). Non-HUD projects must provide notice that informs tenants of their rights to relocation, right of return, and/or right of first refusal in accordance with the requirements of all applicable funding sources.~~

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Document 134: Accessibility Self Certification Form

All applicants/developers shall complete and submit a signed Access Compliance Certification Form (CFC) with the [Homes for LA Super](#) NOFA Application, certifying that the project shall be designed, constructed, and thereafter maintained in compliance with all applicable federal, State, and local accessibility standards. The CFC certifies that, of the total number of units in each project, the following requirements will be met:

- For New Construction and Adaptive Reuse Projects: ~~ten~~four percent (~~10~~4%) of the total number of units in each development shall be accessible to persons with sensory impairments and ~~fifteen~~eleven percent (~~15~~1%) of the total number of units in each development shall be accessible to persons with mobility impairments.
- For Rehabilitation Projects: four percent (4%) of the total number of units in each development shall be accessible to persons with sensory impairments and ten percent (10%) of the total number of units in each development shall be accessible to persons with mobility impairments.

If additional funding sources are braided into an LAHD-funded project and apply more restrictive standards for accessibility, the more restrictive standards will prevail.

Applicants seeking additional scoring priority through the Enhanced Accessibility Program must also complete the EAP Checklist.

Document 145: Milestones Commitment Letter

Timely production of affordable housing is a core objective of the 2025 [Homes for LA Super](#) NOFA, and project sponsors are required to provide a Milestones Commitment Letter as part of threshold review. The Milestones Commitment Letter must outline, as applicable, key pre-development and construction activities and timelines for completion thereof, including expected completion of capital stack, submission of building permits and start of construction. LAHD reserves the right to rescind funding commitments to projects that are awarded, but subsequently fail to reach milestones.

Document 156: Assurances and Conditions Form

The Assurances and Conditions Form commits the project sponsor to complying with LAHD business policy and general city requirements such as the Equal Benefits Ordinance, affirmative action policies, insurance requirements, and living wage ordinance.

Document 167: CTCAC or CDLAC Scoring Certification

The applicant must submit an executed Applicant's/Borrower's Self-Score Certification Statement indicating that the affordable housing development can achieve the maximum points to be competitive, based on the scoring system of the most recently adopted CTCAC/CDLAC Regulations.

For 9% LIHTC projects, the applicant/~~developer~~ must self-certify that the affordable housing development can score the maximum points in the most recently released CTCAC application in effect at the time of ~~within the 24 months following the~~ [Homes for LA Super](#) NOFA application deadline. This includes, but is not limited to, the "Readiness" section of the CTCAC application. For 4% LIHTC projects, the applicant must self-certify that the project can score 119 or 120 points in the most recently released CDLAC regulations in effect at the time of the Homes for LA NOFA application deadline. For projects proposing to use 4% LIHTC and Tax-Exempt Bonds, please refer to Section 2.18 below. The applicant must submit an executed Applicant's/Borrower's Self-Score Certification Statement indicating that the affordable housing development can achieve the maximum points to be competitive, based on the

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~~scoring system of the most recently adopted CTCAC/CDLAC Regulations.~~

Any application proposing a 9% LIHTC financing structure that will compete for a tax credit allocation under the CTCAC's Nonprofit Set-Aside, Special Needs Set-Aside, or "At-Risk" Set-Aside, shall use an amount of LAHD subsidy, in combination with other leveraging sources, that is necessary to achieve a tie-break score that is higher than the lowest winning Final Tie-Break Score of the respective Set-Aside from the last CTCAC funding round relative to the Homes for LA NOFA application deadline.

Any application proposing a 4% LIHTC financing structure that will compete for a tax-exempt bond allocation under CDLAC's Rural Projects Set-Aside, Preservation Projects Set-Aside, Other Rehabilitation Projects Set-Aside, BIPOC Set-Aside, Homeless Set-Aside, ELI/VLI Set-Aside, or Mixed-Income Set-Aside shall demonstrate a tie-break score sufficient to sufficient to attain an allocation in the last CDLAC funding round prior to the Homes for LA NOFA application deadline.[15][16][17]

Document 178: Evidence of Project-Based Vouchers (PBVs)

For Permanent Supportive Housing (PSH) projects, sponsors must demonstrate the commitment of Project-Based Vouchers (PBVs) and/or other operating/rental subsidies. A commitment or award letter from the agency or organization providing the vouchers/subsidy must be submitted as part of the application.

Document 189: Capital Needs Assessment and Scope of Work

For Preservation program projects, sponsors are required to submit a Capital Needs Assessment (CNA) identifying all current and anticipated capital and/or maintenance needs within the next five (5) years, and a proposed Scope of Work (SOW) detailing maintenance, repairs, and rehabilitation, and capital improvements to be undertaken. Projects are required to complete, at minimum, the items indicated within the SOW and as supported by the CNA. If a Capital Improvement Plan is part of the SOW, that must be included in the application.

Document 1920: Proof of Expiring Covenants

For Preservation Program projects qualifying on the basis of expiring covenants, sponsors must provide a copy of the property's affordability covenant or Housing Assistance Payment (HAP) contract, which must show affordability expiry of no less than ten (10) years from the date of project onset.

Document 201: Stabilization Plan and Exit Strategy

For Preservation projects, applicants must submit a Capital Stabilization Plan that addresses the timing and phasing of construction in such a way that minimizes disruption, including displacement, to existing residents.

For ULA Operating Assistance projects, applicants may resolve operating challenges through one of three Pathways. Project Sponsors must submit an Operational Stabilization Plan and Exit Strategy, indicating which Pathway a project will take:

Pathway A: Award of ULA Operating Assistance Program funds would fully resolve the project's operating gap, without the use of additional non-Program funding sources. Examples of this may include repairs following a fire or flooding.

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Pathway B: Award of ULA Operating Assistance Program funds would bridge the project's operating needs, until a more long-term capital funding source can be accessed. Examples of this may include projects that apply for increased voucher payments under established HUD programs.

Pathway C: Award of ULA Operating Assistance Program funds would provide temporary relief from external structural economic or environmental shocks that impact a project's operating expenses or income but are not directly caused by the project sponsor, including but not limited to industry-wide price increases (e.g., increases in insurance premiums).

Sponsors of projects utilizing either Pathway A or Pathway B are required to demonstrate a financial strategy for feasibility, as demonstrated by positive cash flow for at least 15 years.

Sponsors of projects utilizing Pathway B are required to apply for any and all funding sources identified in their Pro Forma.

Sponsors of projects utilizing Pathway C are not required to demonstrate resolution of operating gaps when Operating Assistance relief terminates. Pathway C projects must instead identify systemic cost drivers or economic shocks beyond their control and show, at minimum, positive cash flow during the term of the Operating Assistance support and operating reserves funded at a level that meets the most current LAHD Project Underwriting Guidelines. Project sponsors must also identify the changes in rent levels or other operating revenue and expenses, as well as changes in funding program requirements that would be needed to make projects feasible even if the economic shock, such as higher insurance or utility costs, does not change.

A sponsor's failure to submit timely and complete applications for external funding sources, or to take meaningful action toward other milestones named in the Stabilization Plan and Exit Strategy, may result in the inability to apply for other Operating Assistance funds in the future.

Document 212: Project Labor Agreement

For ULA-funded projects with 40 units or more, the project sponsor must submit a Letter of Assent attesting that it will comply with all the terms and conditions of the City of Los Angeles Board of Public Works Master Project Labor Agreement (PLA), or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council.

For more information, please refer to Los Angeles Administrative Code Section 22.618.7.

Document 223: Statement of Public Purpose

To satisfy this threshold item, project sponsors must submit a brief narrative statement that considers the COC's Housing Needs Assessment and other available neighborhood-specific information on a community's housing challenges. The Statement of Public Purpose shall identify the household income targeting, housing typologies that best fit community needs, and cultural/linguistic competencies necessary for project owners to support residents who will be integrating into a high resource neighborhood, or those who seek stable housing in a neighborhood with high displacement

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risk.

The Statement of Public Purpose should address, but not be limited to, the following:

1. Alignment with ULA Purpose and Goals: Describe how a proposed project would benefit the community in which it is located, meet the public needs identified in the COC's Housing Needs Assessment through the project's community outreach and final design, and advance the goals of the ULA measure and ordinance as defined in the Measure's Section 22.618.1: Purpose
2. Community Outreach and Engagement: Describe community engagement to date, including, but not limited to, any partnership(s) with community organization(s) that are led by and/or represent populations anticipated to be served by the project, and identification of languages that will be used in future outreach/engagement
3. Tenant Governance and/or Ownership: Explain proposed tenure option(s) based on input from community partners(s) and/or community members, as well as financial analysis of feasibility
4. Affordability Levels: Explain proposed affordability levels based on input from community partner(s) and/or community members, as well as available data that evaluates affordability needs at the neighborhood level
5. Unit Size: Explain proposed unit sizes based on input from community partner(s) and/or community members, as well as available data that evaluates unit size needs at the neighborhood level.

Document 234: Racial Equity Commitment

To satisfy this threshold item, project sponsors must demonstrate a commitment to racial equity and reducing racial disparities in housing outcomes, as evidenced by:

1. A profile describing the organization's mission, length of existence, staff experience, characteristics of its Board of Directors, and its commitment to affordable housing and advancing racial equity
2. A narrative analysis of racial disparities in housing outcomes in the organization's geographic coverage area, e.g., income by race, housing cost burden by race, history of displacement of residents of color; and
3. A description of actions the organization is already taking or will take to reduce racial disparities in housing outcomes (e.g., tracking the race and ethnicity of residents served by the organization, engaging with residents to inform the organization's work, marketing projects to different racial and ethnic groups, and using a tenant or homebuyer selection process that does not advantage certain groups and actively mitigates potential inadvertent racial bias).

Document 245: Tenant Governance and Ownership Requirements

For ULA Alternative Models and ULA Acquisition and Rehabilitation program projects, residents shall have a right to participate directly and meaningfully in decision-making concerning the operation and management of projects. Project sponsors must submit a Resident Engagement and Leadership Plan, as well as demonstrate experience with tenant governance.

Resident Engagement and Leadership Requirements

Satisfying this threshold item involves submitting a Resident Engagement and Leadership Plan that includes the following:

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1. Meetings to create Community Agreements
2. Monthly gatherings between property management and residents to support community cohesion and raise issues related to the building
3. Quarterly meetings between residents and property management to review operations, management, and adjust Community Agreements
4. Semi-annual meetings between residents and property management to review budgets, financials, and actuals to determine budget priorities
5. Formation of a Resident Council. In a rental property, the Resident Council must be convened without twelve (12) months after the building is initially leased up and must meet regularly. In an ownership property, the Resident Council, whether organized as a homeowners' association, cooperative board, or LEHC, or other similar representative or elected governance body required by state law based on the legal structure of the property, must be convened within the timeframe mandated by law or six (6) months, whichever is less, and must meet as frequently as is mandated by law, but no less than quarterly, to maintain oversight over property management, finances, and community cohesion
6. Resident training, which provides continuous opportunities for residents to learn about all aspects of managing a residential or mixed-use building, as applicable. Resident trainings can be provided by capacity-building networks, including any resident governance capacity-building collaborative established by the City
7. If the property is planned for future conversion from rental to ownership, then financial and design plans for ownership should engage current residents and/or resident representatives such as those on any Resident Council, and such plans should be structured to maximize the retention of current residents and their conversion from tenants to owners
8. If the property consists of condominiums, is an LEHC, or includes another form of ownership, a timeline and process for the establishment and convening of the governing body, as well as the development of policies regarding homebuyer education and access to lending opportunities and down payment assistance, marketing and sales policies that meet Affirmatively Furthering Fair Housing (AFFH) standards, and any applicable Right of Return or Right of First Refusal policies, and establishment of a Resale Formula.

Tenant Governance Sponsor Experience Requirements

Satisfying this threshold item also involves submitting documentation that the development team has experience owning and/or operating residential properties under tenant governance, or, has nonprofit partner(s) with experience with the same. Experience with tenant governance is demonstrated by submitting the following:

1. Community Agreements that have been created and adopted by residents in at least one property, as well as two or more of the following:
 - a. Resident Council meeting minutes from at least one property; and/or
 - b. Resident Council bylaws adopted by the residents of at least one property; and/or
 - c. CLT ground lease and the bylaws of resident-owned or resident-controlled housing that is the lessee of CLT land, such that, when viewed jointly, the documents demonstrate ongoing relationship between the project sponsor and residents; and/or
 - d. Attestation from residents verifying that the project sponsor has supported a resident-governed property by engaging residents in a collective or representative decision-making process regarding their own rental or ownership housing; and/or

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- e. Demonstrated expertise facilitating community meetings attended by participants with linguistic, cultural, household income and/or other demographic characteristics similar to the anticipated resident population; and/or
- f. Evidence that current staff have received capacity-building training specific to tenant governance or resident ownership, including, but not limited to, training provided by the ULA-funded Capacity-Building Program.

Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.

Partnerships may take the form of General Partnerships, Limited Partnerships, Limited Liability Companies, or other Special-Purpose Entities (SPEs) where the experienced nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).

Document 256: Enhanced Environmental Health Commitment

To satisfy this threshold item, project sponsors must submit [an](#) additional [narrative documents](#) for any projects located within areas with a CalEnviroScreen 4.0 Overall Score in the 80th percentile or higher (or any equivalent score in any successor version of this screening tool). The additional [attachment documents](#) must provide a narrative that meets the following requirements:

1. Community Engagement Requirement: ~~In addition to~~[As part of](#) the site's Phase I Environmental Site Assessment (ESA), the project sponsor will be required to conduct community engagement activities that include a focus on lower-income neighborhood residents who represent similar income categories as are intended to be served by the project, prospective residents, and/or others with lived experience with housing unaffordability and insecurity. Such activities will solicit input in order to complement the Phase I ESA findings by identifying any potential public health concerns related to conditions on the project site or neighboring sites, including soil conditions, construction materials used in existing or previous improvements, or historic land uses, including conditions who are not officially documented in public agency lists such as the California Department of Toxic Substances Control's (DTSC) Cortese List or otherwise known hazards. [The Community Engagement Requirement does not need to be completed at the time of the application submission, but a narrative must be attached to the application describing how the sponsor will incorporate community engagement.](#)
2. Analysis Requirement: Based on the results of community engagement and Phase I ESA findings, the sponsor will [commit to](#) identifying any further need for site-level analysis to be conducted by qualified professional consultants
3. Project Design Requirement: As applicable, based on the results of professional analysis and identification of any site-specific conditions which may be linked to public health concerns, the sponsor will ~~describe how the project design will address the anticipated concerns, and~~ commit in writing to [designing the project in such a way that will address the anticipated concerns, and to](#) implementing such design features if the project is awarded ULA funding.

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SECTION 6:

APPLICATION PROCESS

6.1 General Rules

In general, only one application per project, containing one financing structure only, will be accepted by LAHD. Multiple applications for the same project under the same term sheet are never allowed (e.g. an application using a 9% LIHTC structure that is submitted to the same funding program with a separate application using a Tax Exempt Bond/4% LIHTC structure, on a same project, will be declined).

However, cross-submission of applications is allowed between the ULA Operating Assistance Program and ULA Alternative Models Preservation Program. This is because major capital improvements are not an eligible use of the Operating Assistance funds, and some projects may need both operating and capital funds to stabilize. Applicants requesting funds from the Alternative Models Preservation Program and the Operating Assistance Program must submit an application that meets eligibility and threshold requirements for both programs. Projects that meet the requirements for both programs will be considered for funding by both programs.

Cross-submission of the same site is also allowed between any of the three new construction programs: [Pooled Sources Affordable AHP](#) Multifamily, ULA Multifamily, and ULA Alternative Models New Construction. The three programs have very different funding sources, leverage requirements, income limits, eligibility/threshold requirements, and other features. As such, sponsors submitting applications of the same site to multiple construction programs must restructure each new application's project specifications in alignment with the applicable term sheet requirements. Finally, LAHD will consider each project in the program for which an application has been submitted, but will only make one award based on the application's competitiveness and availability of funds.

See **Table 3** below for a visual summary of allowed and disallowed cross-submissions. And the following conditions will apply to all programs:

1. All applications must be submitted to the UNOFA portal by the required date for each established round of Notice of Funding Availability. Applicants are encouraged to submit their projects as early as possible.
2. Incomplete applications will not be considered for funding. It is the responsibility of the applicant to ensure completeness of their submission.
3. Staff will begin reviewing and underwriting proposals as soon as they are received.
4. Applicants will be subject to a background check to ensure compliance with LAHD Business Policy.
5. All information and support documents relevant to the proposed project must be submitted with the application. The completion of all applicable sections of the LAHD-supplied application is required.

Table 3: Application Cross-Submission Matrix

	Pooled SourcesAHM P-Multifamily	ULA Multifamily	AHMP-Pooled Sources Preservation	ULA Acq/Rehab Preservation	ULA Alt Models New Construction	ULA Alt Models Preservation	ULA Operating Assistance
Pooled SourcesAHM P-Multifamily							
ULA Multifamily							
Pooled SourcesAHM P Preservation							
ULA Acq/Rehab Preservation							
ULA Alt Models New Construction							
ULA Alt Models Preservation							
ULA Operating Assistance							

 Applicant may submit multiple applications, using the same site and different strategies, to different programs

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Applicant may cross-submit the same application to two programs, provided that the application meets eligibility/threshold requirements for both programs



Cross-submission of an application using the same site is not allowed

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6.2 Application Submittal and Review

Notice of Funding Availability applicants must use the online application and forms provided or approved by LAHD. Application forms must not be modified, except as directed by LAHD. Applications must be submitted on time. Late and/or incomplete applications will not be accepted.

Applications received after the deadline will not be accepted. Applications submitted through hard copies, facsimiles or email will not be accepted.

6.3 Timing

The appeal must be submitted in writing and received by LAHD no later than seven (7) calendar days following the notification date of the LAHD staff's disqualification or point score determination letter. The appeal letter must be sent to the attention of the Assistant General Manager (AGM) of LAHD Housing Development Bureau. The appeal shall identify specifically the applicant's grounds for the appeal, pertaining to disqualification and/or determination of point score, and shall be based solely upon the documentation submitted at the time of application. Consequently, the appeal review shall be based solely upon the existing documentation submitted by the applicant when the application was filed. LAHD will respond in writing to the appeal letter within 14 days after receipt of the appeal letter.

6.4 Project Readiness Milestones Commitment

LAHD will require awarded projects to achieve Project Readiness Milestones on the timeline provided by the project sponsor. Required milestones include obtaining all necessary entitlements, completion of draft architectural designs, and submission of applications for any and all identified soft sources at the earliest possible funding round following the LAHD commitment.

6.5 Release of Funds

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

SECTION 7: SCORING OF APPLICATIONS

This section discusses the scoring process and criteria used for selecting projects for each of the [Homes for LA Super](#) NOFA's seven (7) programs.

For projects that meet threshold requirements, LAHD will make funding recommendations in descending order starting with the highest scoring application in each funding program until that program's funds have been fully awarded. Applications for any program will compete with other applications for that respective program only, but New Construction Programs share the same base scoring system, Preservation Programs share another base scoring system, and the Operating Assistance Program is scored separately from all others.

Both the ULA Alternative Models New Construction and ULA Alternative Models Preservation Programs provide first priority to applications with Community Land Trusts (CLTs) and/or Special Purpose Entities (SPEs) with CLT participation in the project's ownership. For both these programs, the priority pool for CLT-partnered entities will be considered first for funding awards. If the programs still have funds remaining after awarding applicants in the first pool, then awards will be recommended for projects in the non-priority pool.

For any given funding program, LAHD's General Manager reserves the right to not recommend projects for funding, and instead elect to roll over all or a portion of that program's funds into a subsequent solicitation.

This section first presents an outline of the New Construction base scoring and outlines the additional points unique to each New Construction program. Then, the Preservation base scoring is presented in outline form, with additional points unique to each Preservation program. The Operating Assistance Program's scoring is presented alone.

Finally, this section will elaborate on each scoring criterion in detail and describe the standard by which each criterion would be measured.

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Table 4: New Construction Common Scoring Elements ([Pooled Sources MultifamilyAHMP New Construction](#), ULA Multifamily, ULA Alternative Models New Construction)^[18]

All New Construction Base Scoring	Points
Feasibility	30
Cost Effectiveness	10
Entitlement Readiness or By-Right/Ministerial Projects	15
Contributions of Land at Less Than Fair Market Value (FMV), including Contributions of Public Land or Land from Contributed by Faith-Based Orgs	5
Site Efficiency (100 units or More Per Acre)	10
Priority Geographies (TCAC Opportunity Maps)	5
Priority Populations (3BR units or Special Needs or ALI/ELI)	5
No Relocation, or, if Relocation then Must Double Units	10
Enhanced Accessibility Program	10
TOTAL BASE SCORE	100

Additional Program-Specific Scoring Elements:

Pooled Sources MultifamilyAHMP New Construction	Points
TCAC/CDLAC Scoring Competitiveness	25

ULA Multifamily	Points
TCAC/CDLAC Scoring Competitiveness	25

ULA Alt Models New Construction*	Points
Affordability: Option A with Deeper Affordability with 50% Average AMI for the Deed-Restricted Units Only	5
Option B with Moderate Income (80-120% AMI) Deed-Restricted in Lieu of Market Rate	

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Amenities	5
Previous Commitment of Funds (e.g., Philanthropic Funds) or In-Kind Contributions	20

*There will be a first priority pool within this program for CLT and CLT partnership applications

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Table 5: Preservation Common Scoring Elements: (~~AHMP-Pooled Sources~~ Preservation, ULA Acquisition and Rehabilitation Preserving Affordability, ULA Alternative Models Preservation)

All Preservation Base Scoring	Points
Feasibility	20
Entitlement Readiness or By-Right/Ministerial Projects	15
Capital Stabilization Plan	20
Risk of Affordability Loss	15
Priority Populations (Special Needs or ALI/ELI)	5
Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20
Enhanced Accessibility Program	5
TOTAL BASE SCORE	100

Additional Program-Specific Scoring Elements:

ULA Acq/Rehab Preservation	Points
TCAC/CDLAC Scoring Competitiveness	25
History of Tenant Engagement	10
Risk of Affordability Loss	10

ULA Alt Models Preservation*	Points
History of Tenant Engagement	10
Risk of Affordability Loss	10

*There will be a first priority pool within this program for CLT and CLT partnership applications

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Table 6: Operating Assistance Program Scoring

Criterion	Points
Demonstrated Financial Hardship	40
Stabilization Efforts to Date	10
Operational Stabilization Plan and Exit Strategy	20
% of Units Restricted as ALI/ELI	5
Nonprofits, CLT, and Shared-Equity Tenant Ownership Priority	5
Cost Effectiveness	20
TOTAL SCORE	100

7.1 Feasibility

The Feasibility criterion is intended to ensure that financial projections are rooted in sound assumptions and that adverse scenarios are accounted for.

Half the points in this criterion will be awarded based on LAHD underwriters' evaluations of an application's reasonableness of costs and sufficiency of funding sources. This evaluation will utilize the LAHD Project and Sponsor Underwriting Guidelines to flag cost and financing assumptions that deviate from LAHD's tolerance ranges. LAHD will deduct from the max score for applicants providing estimates that fall outside of these tolerance ranges and which cannot substantiate a basis for the discrepancy.

The other half of the points in this criterion will be awarded based on an application's ability to demonstrate strong cash flow during stress testing. Such tests may simulate scenarios such as changes in prevailing interest rates, increases in construction input costs, and increases in various operational costs. Based on the sensitivity of the variable being tested, LAHD may utilize an absolute standard or a relative standard (i.e., ranking applications against others in the same funding program) to calculate this portion of the Feasibility score.

7.2 Cost Effectiveness

The Cost Effectiveness criterion is intended to prioritize and incentivize projects that achieve efficiencies and/or leverage external funding sources that reduce the project's reliance on City funds.

If more than one application passes threshold review in a given funding program, half the points in this criterion will be awarded based on a project's Total Development Cost (TDC) [per rentable square foot](#) relative to the median TDC [per rentable square foot](#) of remaining applications within that funding program.

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All remaining points in this criterion are awarded based on LAHD loan requested by the applicant divided by the maximum LAHD loan permissible under a given funding program, with 0 points awarded for a quotient that equals 1.

[For the Operating Assistance Program only, all points for the Cost Effectiveness criterion are based on per-unit LAHD loan request relative to the median per-unit LAHD loan request for this funding program.](#)

7.3 Entitlement Readiness ~~or By-Right/Ministerial Projects~~

Maximum points for Entitlement Readiness is awarded to projects that have secured all necessary [planning](#) entitlements or that can demonstrate that the project can be approved by-right ~~or through ministerial approval~~. ~~These include, but are not limited to, general plan amendments, re-zonings, conditional use permits, and entitlement incentives such as the Transit Oriented Communities (TOC) program.~~ [\[19\] A proposed project's readiness](#) ~~By-right/ministerial approval~~ can be demonstrated by documents such as Preliminary Zoning Assessment, Zoning Letters, Letter of Compliance, or Determination Letter with approved entitlements. ~~Entitlement approvals include, but are not limited to, general plan amendments, re-zonings and conditional use permits.~~

LAHD will consult with the Los Angeles [Department of](#) City Planning, [the Los Angeles Department of Building and Safety](#), or other applicable permitting agency (e.g., County, State or Federal) ~~Department~~ to verify whether the project as stated is appropriately zoned and in compliance with all [applicable zoning and land use](#) requirements ~~and local land use ordinances~~.

[7.4 Discounted Contributions of ~~Public Land or Land Owned by Faith-Based Organizations~~](#) [\[20\]](#)

Maximum points for this criterion will be awarded to projects that demonstrate contributions of land, [including public land, city-acquired sites, or land owned by faith-based organizations](#), at a discount of [50% or more](#) below Fair Market Value. [Discounted sales and/or long-term ground leases will be considered valid contributions of land for this scoring criterion.](#) [\[21\]](#) [\[22\]](#) [\[23\]](#)

7.5 Site Efficiency

Each project ~~should~~ [must](#) maximize [allowable](#) ~~the~~ units per acre on the [site\(s\)](#) ~~land~~ of the proposed project. Projects will be awarded points [for building at or above](#) [\[24\]](#) ~~the base-zoned density on the project site and demonstrating utilization of available development incentives. For multi-phase projects, LAHD will calculate Site Efficiency based on the total unit count from the final proposed full buildout, proportional to the number of units/acre. (i.e. 100 units/acre = 100%).~~

7.6 Priority Geographies

Maximum points in this criterion will be awarded to projects located in High or Highest Opportunity areas as indicated by the latest version of the TCAC Opportunity Map.

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7.7 Priority Populations Served

Maximum points in this criterion will be awarded to projects that set aside an additional ten percent (10%) of units for three bedroom units and/or Special Needs and/or ALI/ELI above whatever is required in that [Homes for LA NOFA](#) funding program.

7.8 No Relocation or High Replacement If Relocation

Maximum points in this criterion will be awarded to projects that either do not trigger relocation, or, if relocation is triggered, are able to provide at least double the residential unit count compared to the previous use. [For public housing authorities, LAHD will consider unit count from the final proposed full buildout of multi-phase projects.](#)

7.9 Retrofit/Rehabilitation Work that Provides Certified Accessible Units

Maximum points in this category will be awarded for projects that have a major rehabilitation component that will result in certified accessible units. Please note that LAHD funds trigger Accessible Housing Program (AChP) retrofits when they are used for projects with major rehabilitation.

7.10 Enhanced Accessibility Program

As required by the Voluntary Compliance Agreement entered into by the City and the U.S. Department of Housing & Urban Development in 2019, competitively allocated housing funds must include scoring points for an Enhanced Accessibility Program (EAP) that gives development points for including additional hearing, vision, or mobility accessibility features.

Applicants who elect to participate in the EAP, shall receive bonus points, and shall:

- Submit a schematic architectural plan that indicates (a) all of the required accessibility design features in Tables 1A and 1B or 1C, and (b) at least 5 of the optional accessibility design features as listed in Exhibit 07 - Enhanced Accessibility NOFA Program;
- For projects competing for extra points through EAP, sponsors must submit a schematic architectural plan that indicates (a) all of the required accessibility design features in Tables 1A and 1B or 1C, and (b) at least 5 of the optional accessibility design features as listed in Exhibit 07 - Enhanced Accessibility NOFA Program; Submit a checklist of the chosen design features. The checklist must be signed and dated by the applicant. (Document 14)

7.11 TCAC/CDLAC Scoring Competitiveness

Maximum points will be awarded to projects that demonstrate the ability to achieve maximum possible points in their pool or set-aside in the most recent TCAC or CDLAC regulations. [A score of 119 or above on a CDLAC application will qualify a project for this scoring criterion.](#)

7.12 ULA Alternative Models New Construction: Affordability Bonuses

Additional points will be awarded for projects that meet either of the affordability targets below:

- A. Deeper Affordability with Average 50% AMI for deed-restricted units only; or
- B. Moderate Income with 20% of the project's units deed-restricted between 80-120% AMI in lieu of market rate

7.13 ULA Alternative Models New Construction: Amenity Bonus

Additional points will be awarded for project design that incorporates amenities that are above TCAC minimums, including but not limited to wellness, recreation, commercial and/or cultural amenities that enhance community livability and sustainability, such as affordable groceries, open space, and walking, biking, or transit pathways to access a public school.

7.14 ULA Alternative Models New Construction: Previous Funding Commitment Bonus

Half of the maximum points in this scoring criterion will be awarded for projects that have an existing commitment of funds [or other in-kind contributions](#) equivalent to ten percent (10%) or more of the project's total capital stack. [These can include soft debt, hard debt, philanthropic funds, and/or any form of public subsidy.](#)

The other half of the maximum points in this scoring criterion will be awarded for projects whose existing funding commitment is structured as an equity stake in the project.

7.15 Capital Stabilization Plan

Half the maximum points in the Capital Stabilization Plan criterion are based on timing and phasing of construction and/or rehabilitation that minimizes disruption to existing tenants.

The other half of the maximum points in this scoring criterion will be awarded based on expected operational stabilization of a project using capital improvements. For example, a project that is experiencing excess vacancy losses due to an elevated number of uninhabitable units would receive these points by showing how repairs might result in increased rental income; or a project experiencing excess utility costs due to obsolete systems would receive these points by showing how upgrades to heating systems might result in decreased heating/cooling costs.

7.16 Risk of Affordability Loss

For projects claiming both financial hardship and expiry of covenants, half the maximum points in the Risk of Affordability Loss criterion are based on imminent expiry of affordability covenants. The project with the most imminent expiry would receive the maximum possible points in this suballocation. Points in this suballocation will also be awarded for projects that have issued a three (3) year notice pursuant to section 65863.10 of the California Government Code, also known as the State Preservation Notice Law.

The remainder of the maximum points in this scoring criterion are based on risk of financial

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insolvency.

7.17 ULA Preservation: History of Tenant Engagement Bonus Points

Maximum points in this criterion will be awarded to ~~sponsors~~projects with a history of outreach to the property's tenants, including but not limited to attestation and/or meeting minutes from an organized group of the property's residents, or a letter of support signed by a majority of the building's households.

7.18 ULA Operating Assistance: Demonstrated Financial Hardship

Maximum points in this criterion will be awarded to projects determined to be in financial hardship based on the following criteria: negative cash flow for two (2) of the last three (3) years, insufficient operating reserves, and exhaustion of previous efforts to raise funds to partnerships or lending facilities.

7.19 ULA Operating Assistance: Stabilization Efforts to Date

Points in this criterion are awarded based on previous meaningful corrective measures to bring down operating costs or address financial challenges.

7.20 ULA Operating Assistance: Operational Stabilization Plan and Exit Strategy

Points in this criterion are awarded on the basis of underwriting of the applicant's plan, including LAHD underwriting evaluation of reasonableness and sufficiency of Sources and Uses, as well as financial stress testing of the proforma's assumptions.

Additionally, Operating Assistance applications are required to choose between three pathways for assistance, based on their ability to resolve operational challenges within the two (2) year assistance timeframe (see Section 5: Threshold Requirements, Documents, and Definitions). Pathway A and Pathway B projects will additionally be scored on their ability to achieve stable operations upon sunset of Program relief.

7.21 ULA Operating Assistance: Percentage of Units Restricted at ALI/ELI

Maximum points in this criterion will be awarded for projects that reserve more than 10% of units for households at ALI and ELI.

7.22 ULA Operating Assistance: Nonprofit, CLT, and/or Shared-Equity Tenant Ownership

Maximum points in this criterion will be awarded for projects that are owned by nonprofits, CLTs, and/or Shared-equity entities.

SECTION 8: FEDERAL AND STATE WAGE AND LABOR REQUIREMENTS

8.1 Federal Wage Requirements

All projects utilizing HOME funds will be required to pay wages to laborers and mechanics at the Davis-Bacon wage rates, at minimum. However, any project funded in whole or in part with Community Redevelopment Agency (CRA) and/or other State funds are subject to State Prevailing Wage Requirements.

All projects located within the City of Los Angeles, including tax-exempt bond-financed projects, must pay wages to laborers and mechanics at either the Davis-Bacon wage rates or State of California prevailing wages, whichever are higher for each job classification.

For both Davis-Bacon and State Prevailing Wage projects, the final wage decision to be employed will depend upon the height (number of stories) of the project. **Applicant/developer shall be responsible for complying with the applicable wage scale as determined by the City.**

8.2 State Wage Requirements

Any project funded in whole or in part with public funds, including Community Redevelopment Agency (CRA/LA) or other State funds is subject to State Prevailing Wage Requirements.

Pursuant to the California Code of regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. The residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates.

According to the definitions contained in Title 8, Section 1504 of the California Code of regulations, the following is the definition of a building story:

“That portion of a building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a basement, cellar or unused underfloor space is more than 6 feet above grade as defined herein for more than 50 percent of the total perimeter, or is more than 12 feet above grade as defined herein at any point, such basement, cellar or unused underfloor space shall be considered as a story.”

Information regarding California’s State Prevailing Wage Determinations are as follows: CA State Wage Determinations: http://www.dir.ca.gov/dlsr/statistics_research.html

Archived CA State Determinations: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

8.3 Contractor Accountability

Cost of the Work plus a Fee with a Guaranteed Maximum Price Contract (GMAX)

General Contractors will be required to use a Guaranteed Maximum Price Contract (GMAX) wherein the basis for payment is the cost of the work plus a fee. The construction contract shall include an overall

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cost limitation of fourteen percent (14%) of the cost of construction, which shall apply to builder overhead, profit, and general requirements, excluding builder's general liability insurance. For purposes of calculating builder overhead and profit, the cost of construction includes offsite improvements, demolition and site work, structures, prevailing wage, and general requirements. For purposes of calculating general requirements, the cost of construction includes offsite improvements, demolition and site work, structures, and prevailing wage. All construction contracts shall clearly state that the sharing of cost savings, which are above and beyond the maximum fourteen percent (14%) of the cost of construction for builders overhead, profit and general requirements are not allowed under said contracts.

8.4 Construction Contract Audit

Borrowers shall submit for LAHD's approval a completed audit of construction costs by an independent Certified Public Accountant within sixty (60) calendar days after the issuance of the project's Final Certificate of Occupancy. The audit shall include the accountant's opinion on calculation of profit, overhead, and general conditions as a percentage of the total contract amount.

8.5 Enforcement Language

The City loan documents will enforce the 14% cap on profit, overhead and general conditions that includes penalties, fees, and possible debarment of the borrower, contractor and/or their principals.

8.6 LCP Tracker

Contractors will be required to report to LAHD's Prevailing Wage Compliance Unit using the LCP Tracker labor compliance software, used by many public agencies to capture, monitor, and report prevailing wage compliance in projects financed with public funds. An amount equal to 0.03% of the construction contract must be paid in full by the applicant/developer within 30 days of execution of the LAHD loan.

SECTION 9: CONSTRUCTION STANDARDS

9.1 Architectural Design Review

The evaluation of all projects shall be based on, but not limited to, design standards related to site planning, common spaces/circulation, unit layout, and compliance with applicable accessibility standards, based on the LAHD's Architectural Guidelines:

- New construction projects will be evaluated on design issues such as neighborhood compatibility, site amenities, circulation, crime prevention, interior spatial relationships, landscaping, design efficiency, unit/room layout and energy efficiency.
- Rehabilitation projects will be evaluated on design issues such as neighborhood improvement, site amenities, circulation, crime prevention, internal spatial relationships, landscaping, design efficiency and energy efficiency.
- As described above, all project designs must demonstrate compliance with all applicable accessibility standards.

Applicants/developers must provide written rationale that explains the project design, and submit an electronic copy in Adobe Acrobat format (Pdf), (and CAD format when required) of 24" x 36" architectural plans. The written rationale should be consistent with the submitted design. For "non-structural rehabilitation projects," applicants must provide rehabilitation plans that indicate the proposed improvements to enable LAHD cost estimators to locate, quantify and confirm all proposed improvements (e.g., proposed demolition work, number of doors, windows and/or fixtures to be replaced; floor, wall and ceiling areas to be rehabilitated, indicating site work, if any, such as paved walkways, driveways, steps, landscape areas, low retaining walls to be added or replaced, etc.).

CTCAC projects must score the minimum number of points according to CTCAC's Sustainable Building Methods criteria as outlined in the Architectural Guidelines (Exhibit 01).

9.2 Assessment of Cost and Contractor's Cost Certification

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

Builder overhead, profit and general conditions/requirements are limited to 14% of the construction cost. Construction contingency allowances must be allocated outside the proposed construction contract amount, and should be at least 10% of the total construction costs for new construction, and at least 15% for rehabilitation projects.

9.3 Engineering Inspection (for all rehabilitation projects)

All rehabilitation projects must submit a property needs assessment report or an engineering inspection report completed within the past twelve (12) months, from a qualified engineer or building inspector, to identify the remaining life of all major systems including, but not limited to, plumbing, electrical, HVAC, foundation, and roof. The purpose of the aforementioned inspection is to reduce the

~~Draft as of April 29, 2025~~

likelihood of unforeseen conditions, which could substantially change the cost and/or scope of work approved. Additionally, LAHD may require that a cost certification be prepared to determine if the cost and scope of work identified by the applicant coincides with that of the property inspector and engineering assessment. Should it be determined that the additional costs identified render the project infeasible, it will be the responsibility of the applicant to secure non-City funds for the identified costs. If the applicant is unable to do so, the commitment of City funds may be withdrawn. In order to score projects appropriately, any document submitted as proof of site control must permit access to the property for all inspections identified above. A code inspection will also be conducted by LAHD as part of its review process.

For “cosmetic rehabilitation projects,” applicants are required to submit a property needs assessment report or engineering inspection report. Environmental considerations will be part of the review process. Projects that reflect community input and support and serve to enhance the surrounding community are encouraged. In addition, applicants must make the proposed project architect aware of LAHD’s “Architect’s Consent and Assignment” policies as outlined in Exhibit 01.

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

9.4 Accessibility Certification Requirements

A State of California Certified Access Specialist (CASP) who is a licensed architect or engineer must be identified as part of the development team. The CASP cannot be the architect of record for the project.

Applicants/developers shall work with their CASP consultants/specialists and shall ensure that their project/s comply with the following accessibility standards including, but not limited to:

- Section 504 of the Rehabilitation Act of 1973, as amended, and its implementing regulations at CFR Part 8, effective July 11, 1988 and the Uniform Federal Accessibility Standard (UFAS) 24 CFR Part 40;
- HUD’s Alternative Accessibility Standard published in the Federal Register May 23, 2014 (Vol. 70 Number 100) that allows recipients of HUD funds to use the 2010 ADA Title II Standards for Accessible Design except for the eleven UFAS sections deemed by HUD to provide greater accessibility;
- The 2010 Standards for State and local governments, which consist of the Title II regulations at 28 CFR 35.151 and the 2004 ADDAG at 36 CFR part 1191, appendices B and;
- The 2010 Standards for public accommodations and commercial facilities, which consist of the Title II regulations at 28 CFR part 36, subpart D, and the 2004 ADAAG at 36 CFR part 1191, appendices B and D;
- Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex or national origin. Title VIII was amended in 1988 (effective March 13, 1991) by the Fair Housing Amendments Act that describes required construction standards for all multifamily properties. Fair Housing Act, 42

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U.S.C. 3601, et seq; 24 CFR Parts 100, 103, and 104;

- The Fair Housing Act, compliance with the standards set forth in 24 C.F.R. § 100.205, including: ANSI A117.1-1986; and the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Accessibility and Answers About the Guidelines, June 28, 1994 Housing Guidelines: Questions;
- California Building Code Chapters 11A & B (architect must include this note on the title page of plans: "This is a publicly funded housing project and must comply with California Building Code Chapter 11B").

Applicants/ developers/owners must list all applicable accessibility standards on the title page of the architectural plans, including 1) the designated FHA Safe Harbor for the project, and the following notation: "This is a publicly-funded housing project and it must comply with federal accessibility standards of California Building Code, Chapters 11A & 11B."

In addition to the project site and the buildings being accessible to people with disabilities, the development must construct at least:

- For New Construction and Adaptive Reuse Projects:

- 104% of the total units in the project must be accessible to persons with sensory impairments; and,
- 1511% of the total units in the project must be accessible to persons with mobility impairments.^[25]

- For Rehabilitation Projects:

- 4% of the total units in the project must be accessible to persons with sensory impairments; and,
- 10% of the total units in the project must be accessible to persons with mobility impairments.^[26]

The ~~4% and the 11%~~ calculations shall be based on the total number of units in the project. Required accessible dwelling units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites, and shall be available in a sufficient range of sizes and amenities so that a qualified individual's choice of living arrangements is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

9.5 Prior to Issuance of TCO:

Prior to issuance of a Temporary Certificate of Occupancy (TCO), the developer must obtain a clearance from LAHD Accessible Housing Program (AcHP). The AcHP has been added to the ACOS (Automated Certificate of Occupancy System) within the Los Angeles Department of Building and Safety (LADBS) to ensure that the development complies with all applicable accessibility standards prior to LADBS' issuance of a TCO.

9.6 Certificate of Occupancy (C of O):

As described above, LAHD AcHP clearance verification has been added to the LADBS ACOS to ensure that LADBS does not issue a Certificate of Occupancy (C of O) prior to the proper documentation (i.e., the Verification of Compliance by the NAC and the Certification of Compliance by the City) is presented to the developer/owner in order for LADBS to issue a C of O.

At the time of application, an Accessibility Compliance Certification must be completed and signed by

~~Draft as of April 29, 2025~~

the applicant (see Document 14 and Exhibit 01 LAHD Architectural Guidelines) certifying that the development is compliant with applicable accessibility standards, must be submitted to and approved by LAHD at the following phases of the project development:

- **Accessibility Design Review Report** This report shall be conducted by a Certified Access Specialist (CASp) consultant and a complete set of architectural plans in "Pdf" must be submitted to LAHD AcHP for review and approval *prior* to the LADBS' issuance of a building permit;
- **Accessibility Progress Inspection Reports** after all rough inspections have been signed off prior to closing of walls;
- **Final Accessibility Report** LAHD shall not issue its approval/clearance for the issuance of a Temporary Certificate of Occupancy unless all non-compliant items in the units are corrected, and an accessible route exists to each of the units, from the public right-of-way to the development's parking.

LAHD shall not issue its approval/clearance for the issuance of a Certificate of Occupancy or a final building permit sign-off by LADBS, or the release of the final retention payment unless:

1. Correction issued by LAHD are addressed, completed, and approved;
2. LAHD approves the final Accessibility Report from CASp for project;
3. Expert Recommendation and City Certification of Compliance with CSA are issued;
4. Neutral Accessibility Consultant Verification and City Certification of Compliance with Accessibility Standard with VCA are issued.

The cost of CASp activities and certifications should be included in the application's project budget.

A list of State Certified Disabled Access Specialists can be found at the following link:

https://www.apps.dgs.ca.gov/casp/casp_certified_list.aspx

9.7 Cost Certification

Cost certification is required of all owners and all general contractors. Implementing the cost certification process for general contractors will create greater transparency and accountability of the resources available to the affordable housing development community.

Direct Construction Cost Summary: A construction cost breakdown must be prepared using the standard Construction Specification Institute (CSI) Division format for building components. Prices for labor must take into consideration the applicable wages (e.g., Davis-Bacon or other). Where there is an identity of interest relationship between the general contractor and/or the owner and a subcontractor as defined in Section 7.14, LAHD will require a cost certification of the subcontractor. Any overhead, profit and general requirement fees paid to that subcontractor will be added to the general contractor's overhead, profit and general requirements and limited to the percentages allowable in these [Homes for LA Super](#) NOFA Regulations. In these instances, the general contractor must provide to a third party Accountant:

- Copy of construction contract and any change orders;
- Listing of all subcontractors utilized on the job, with amounts paid and to be paid;
- Listing of all "other costs/fees" paid and/or incurred for the project by the contractor.

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The Accountant shall select at least five other subcontractors at random or by a sampling method, and verify the amounts paid to each subcontractor by reviewing check copies, contract documents, change orders, and other supporting information to verify amounts included within the cost certification for each subcontractor selected.

Coverage should be at least 40% of total cost incurred on the construction contract. If not, the Accountant shall select additional subcontractors and perform procedures above until the 40% requirement is exceeded.

The Accountant shall perform a comparison of actual costs to the amount budgeted at the time of application and obtain explanations for significant variances.

The Contractor's Cost Certification forms must be accompanied by the unqualified opinion of the Accountant.

9.8 Utility Allowance

Newly constructed projects in the design phase (brand new, never previously used buildings) must use the California Energy Commission (CEC) California Utility Allowance Calculator (CUAC). LAHD requires that the signing consultant be qualified by the California Association of Building Energy Consultants' (CABEC) Certified Energy Plans Examiner (CEPE) program, and must be a certified Home Energy Rating System (HERS) Rater, or a California licensed mechanical engineer or electrical engineer.

Rehabilitation projects or projects with Project Based Section 8 Vouchers from the Housing Authority of the City of Los Angeles (HACLA), Los Angeles County Housing Authority (LACDA) and Flexible Housing Subsidy Pool (FHSP) shall use the respective -utility allowance.

If a new construction development has several units supported by Section 8 Project Based Vouchers (PBVs) from HACLA or LACDA or FHSP operating subsidy, then the project shall be allowed to use that funding source's utility allowances for the entire project, except when the project has HOME funding. A project with HOME funding commitments after 8/23/2017 cannot use the HACLA utility allowance if it does not have a waiver from HUD; instead, the project shall use CUAC or HUD Utility Schedule Model (HUSM) to develop their utility allowances. Projects with HOME funding commitments after 8/23/2017 and have PBVs from a public housing agency (PHA) may apply for and be granted a waiver from HUD that allows the use of HACLA utility allowances.

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APPENDIX I

[HOMES FOR LASUPER](#) NOFA FORMS AND ATTACHMENTS CHECKLIST

CHECKLIST	Form Provided by LAHD?
Applicable items from the following list must be completed and submitted with the Homes for LASuper NOFA application:	
Document 1 – Completed UNOFA application and Financial Proforma	Yes
Document 2 – Conflicts of Interest and Legal/Financial Liabilities Self-Certification	Yes
Document 3 – Preliminary Title Report dated within 90 days of app deadline; and Evidence of Site Control	No
Document 4 – Portfolio Underwriting: Audited Financial Statements (AFSs) and Real Estate Owned Schedule (REO)	Yes
Document 5 – Appraisal	No
Document 6 – Phase I and/or Phase II Environmental Site Assessment (ESA)	No
Document 7 – Soils Report, or, Affidavit from General Partners Pertaining to Soils Report	No
Document 8 – Asbestos Assessment and Lead-based Paint Report, or, Letters in Lieu of Report(s)	No
Document 9 – Architectural Plans, Schematics, or Concept	No
Document 10 – Self-Score Form for Homes for LASuper NOFA Competitive Criteria	Yes
Document 11 – Relocation Project Summary Assessment	No
Document 12 – Replacement Unit Determination (RUD)	No
Document 13 – Leasing Requirements Policy and General Information Notice (GIN) or Proof of Noticing	Yes
Document 1 34 – Accessibility Self-Certification Form and Enhanced Accessibility Program Checklist	Yes
Document 1 45 – Milestones Commitment Letter	No
Document 1 56 – Assurances and Conditions Form	Yes
Document 1 67 – CTCAC or CDLAC Scoring Self-Certification	No
Document 1 78 – Evidence of Project-Based Vouchers	No
Document 1 89 – Capital Needs Assessment (CNA) and Scope of Work	No
Document 1920 – Proof of Expiring Covenants	No

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Document 201 – Stabilization Plan and Exit Strategy	No
Document 212 – Project Labor Agreement (PLA) Letter of Assent	No
Document 223 – Statement of Public Purpose	No
Document 234 – Racial Equity Commitment	No
Document 245 – Tenant Governance Engagement and Leadership Plan and Sponsor Experience Package	No
Document 256 – Enhanced Environmental Health Commitment	No

ADDITIONAL ITEMS IN ORDER TO RECEIVE POINTS UNDER SECTION 7

(If applicant is proposing to garner competitive criteria points under committed funding sources, general partner/management company experience, [CHDO certification](#), Enhanced Accessibility Program, etc):

Document 26 – Evidence of Enforceable Funding Commitments
Document 27 – Evidence of Entitlement Readiness
Document 28 – Evidence of Contributions of Public Land or Land Owned by Faith-Based Organizations
Document 29 – Evidence of High or Highest Resource Geography
Document 30 – Evidence of Site Efficiency
Document 31 – Evidence of Priority Populations Served
Document 32 – Evidence of No Relocation or Double Replacement if there is Relocation
Document 33 – Evidence of Retrofit/Rehabilitation Work that Provides Certified Accessible Units
Document 34 – Schematic Architectural Plans that Demonstrate Enhanced Accessibility Features
Document 35 – Completed “Points System” Tab of TCAC/CDLAC Application
Document 36 – Evidence of Amenity Access
Document 37 – Evidence of Existing Funding Commitments Including Equity Financing
Document 38 – Capital Stabilization Plan
Document 39 – Evidence of Risk of Affordability Loss
Document 40 – Evidence of Previous Tenant Engagement
Document 41 – Demonstrated Financial Hardship

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Document 42 – Evidence of Stabilization Efforts to Date, Including Award and/or
Denial Letters for Financing Sources

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Los Angeles Housing Department Term Sheet
Pooled Sources AHMP– Multifamily New Construction
DRAFT FOR PUBLIC REVIEW– APRIL 29, 2025

Program Description	<p>The <u>Pooled Sources Multifamily Tax Credit Program</u> is offered by Affordable Housing Managed Pipeline (AHMP) program is initiated by the City of Los Angeles to develop affordable housing aimed at low and very-low-income households. This initiative not only seeks to increase the supply of affordable rental units <u>and preserve existing affordable housing</u>, but also to promote neighborhood revitalization, leverage community investments, and foster sustainable living environments. The AHMP emphasizes a collaborative approach, involving multiple stakeholders in the creation and management of housing resources.</p> <p>The <u>Pooled Sources Multifamily Tax Credit Program</u> New Construction Program (“Program”) of the AHMP may be used for the development of new affordable housing <u>and the preservation of existing affordable housing through resyndications.</u></p> <p>Proposals under this program will be solicited via a “<u>Homes for LA Super</u> NOFA” that is anticipated to open on September 5, 2025. Applications are expected to be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this <u>Homes for LA Super</u> NOFA, LAHD will provide up to an estimated \$45-\$60 million in <u>Pooled Sources Multifamily Tax Credit Program AHMP New Construction</u> funds for the development of affordable housing in the City of Los Angeles. Funding is to be provided through HOME, California SB 2, and Los Angeles Affordable Housing Linkage Fee funding. The total amount of available capital funds will be confirmed with the publication of the <u>Homes for LA Super</u> NOFA.</p> <p>This program utilizes HOME funding. All details related to HOME funding regulations can be found in Section <u>45</u> of the <u>Homes for LA Super</u> NOFA Program Regulations.</p>
Eligible Applicants	<p>Non-profit developers, for-profit developers, joint ventures, limited liability corporations, and limited partnerships.</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none"> ● Projects must be <u>either:</u> <ul style="list-style-type: none"> ○ New <u>new construction and/or conversion of non-residential structures into affordable housing (adaptive reuse), using tax credits</u> ●○ <u>Preservation for projects with expiring covenants, and seeking resyndication tax credits</u> <p><u>Project Size:</u></p> <ul style="list-style-type: none"> ● No maximum or minimum <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none"> ● Must pay State Prevailing Wage and Davis Bacon (Section <u>45</u>), as applicable

Form

	<p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> It is expected that projects under this the AHMP Multifamily New Construction program apply for LIHTCs Project financing must include existing commitments from federal, state, county or non-City funding sources, or a commitment and demonstrated capacity to pursue the same within the project timeline.
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <ul style="list-style-type: none"> Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. <p><u>Rent Schedules:</u></p> <ul style="list-style-type: none"> LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules
Eligible Activities	<ul style="list-style-type: none"> Acquisition costs during predevelopment; Construction: Ground-up development of new affordable housing projects <u>and Adaptive Reuse</u>; Rehabilitation: Renovation of existing structures to meet affordable housing standards; Land Acquisition: Purchasing land to develop affordable housing; Tenant Relocation Assistance: Costs associated with relocating existing residents during project development. Activities must be directly tied to the creation or improvement of affordable housing options.
Ineligible Activities	<ul style="list-style-type: none"> Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. Costs associated with units not funded by the City of Los Angeles. Commercial space or tenant improvements. Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. Travel expenses, food, or meals. Application fees for other project financing. Office or general organizational expenses. Costs that would normally be paid by the Limited Partnership or Limited Liability Company. The payment of delinquent taxes, fees, or charges on properties. Projects that do not conform to local zoning laws or housing codes. Developments solely intended for commercial use or mixed-use projects without dedicated affordable housing components. Costs associated with operations unrelated to the development or improvement of affordable housing, such as luxury amenities that do not serve low-income residents. Any application submitted post-deadline will not be accepted, impacting both processing and funding opportunities.

Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of total development cost.</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Fifty-Seven (57) years (i.e. a 24-month construction period followed by a fifty-five (55) year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability covenant is required to be fifty-five (55) years from completion of construction, or for the maximum period required by CTCAC, HCD, HUD, or CDLAC, whichever is longer.</p> <p>Type: Construction (including reimbursement of acquisition and predevelopment costs) and Permanent loans. These loans will be provided in the form of residual receipts loans.</p> <p>Subordination: The subordination of the regulatory agreement for <u>Pooled Sources Multifamily Tax Credit-AHMP Multi Family new construction</u> projects indicates that LAHD can, at its discretion, subordinate repayment, security positions, and affordability covenants to a conventional lender or other public agency lender.</p>								
Threshold Requirements	<p>Threshold requirements for this program are enumerated in the table below:</p> <table border="1"> <thead> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> </thead> <tbody> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);</td></tr> <tr> <td>3: Project must have Site Control and Clean Title</td><td>Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;</td></tr> </tbody> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);	3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
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3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;								

4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA Super NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA Super NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment

12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Tenants must be notified of potential displacement and their rights	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;
134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards;
145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
167: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 167: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
178: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 178: Evidence of committed Project-Based Vouchers (PBVs) and/or other long-term operating subsidies;
<u>18: For Preservation projects only, sponsors must assess deferred maintenance and capital needs</u>	<u>Document 18: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements.</u>

Evaluation and Scoring Criteria

If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:

All New Construction Base Scoring	Points
Feasibility	30
Cost Effectiveness	10
Entitlement Readiness	15

Discounted Contributions of Land Contributions of Public Land or Land Contributed by Faith-Based Orgs	5
Site Efficiency (100 units or More Per Acre)	10
Priority Geographies (TCAC Opportunity Maps)	5
Priority Populations (3BR units or Special Needs or ALI/ELI)	5
No Relocation, or, if Relocation then Must Double Units	10
Enhanced Accessibility Program	10
TOTAL BASE SCORE	100

All ~~Pooled Sources Multifamily Program AHMP Multifamily New Construction~~ projects will be subject to the following scoring requirements:

Pooled Sources Multifamily AHMP New Construction	Points
TCAC/CDLAC Scoring Competitiveness	25

All definitions for each scoring criteria are described in the primary ~~Homes for LA Super~~ NOFA Regulations document.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published ~~Homes for LA 2025 Super~~ NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Updated Primary Document 04/29/2025

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Multifamily Affordable Housing
DRAFT FOR PUBLIC REVIEW APRIL 29, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the ULA Multifamily Affordable Housing Program, which supports the construction of affordable housing in the City of Los Angeles.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA Super NOFA, LAHD may provide up to an anticipated \$97.5 million as part of the ULA Multifamily Affordable Housing Program for the development of affordable housing in the City of Los Angeles. Availability of funds for this Program is subject to approval of the proposed FY 2025 -26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA Super NOFA.</p>
Eligible Applicants	<p>Eligible applicants are entities that have a demonstrated history of affordable housing development, ownership, operations and affordable housing property management. Eligible entities, including Community Land Trusts (CLTs) and Limited Equity Housing Cooperatives (LEHCs), may qualify by either partnering with an experienced Nonprofit or by showing adequate organizational and staff capacity to operate and manage the project.</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none"> ● Projects must be new construction of multifamily affordable housing <u>or conversion of non-residential structures into affordable housing (adaptive reuse)</u> <p><u>Project Size:</u></p> <ul style="list-style-type: none"> ● Projects must have 40 or more units <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none"> ● Must pay prevailing wage. ● If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit

	<p>Housing (SCANPH), and approved by the Los Angeles City Council.</p> <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> ● It is expected that projects under the ULA Multifamily Affordable Housing Program apply for LIHTCs ● Project financing must include existing commitments from federal, state, county or non-ULA funding sources, or a commitment and demonstrated capacity to pursue the same within the project timeline. <p><u>Project Resale:</u></p> <ul style="list-style-type: none"> ● Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <ul style="list-style-type: none"> ● Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. <p><u>Rent Schedules:</u></p> <ul style="list-style-type: none"> ● LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules
Eligible Activities	<ul style="list-style-type: none"> ● Acquisition costs during predevelopment; ● Predevelopment costs, including, but not limited to, costs for architectural plans and renderings, Environmental Review and Historic Preservation; and Phase I Environmental Assessment Report, Phase II Environmental Assessment Report (if required), and Lead/Asbestos. ● Construction and financing costs, including demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit, and general conditions; ● Relocation and related expenses; ● Soft costs related to the construction and development of the project, including conventional financing, design, program, financing, and entitlement processing, developer fees, legal fees, and professional fees
Ineligible Activities	<ul style="list-style-type: none"> ● Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. ● Costs associated with units not funded by the City of Los Angeles. ● Commercial space or tenant improvements. ● Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. ● Travel expenses, food, or meals. ● Application fees for other project financing ● Office or general organizational expenses

	<ul style="list-style-type: none"> ● Costs that would normally be paid by the Limited Partnership or Limited Liability Company ● The payment of delinquent taxes, fees, or charges on properties 						
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of the Total Development Cost (TDC).</p> <p>Type: Predevelopment, construction (including reimbursement of acquisition and predevelopment costs) and permanent loans. Permanent loans may allow for transfer of ownership to a legal entity owned and/or controlled by residents. These loans will be provided in the form of residual receipts loans.</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Fifty -Seven (57) years (i.e. a 24 -month construction period followed by a fifty -five (55) year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law. However, a more limited affordability covenant, albeit with a fixed term of no less than 55 years, shall be acceptable if necessary, as verified by the Los Angeles Housing Department if such shorter covenant period is necessary for the Project to meet the requirements of the Project's other funding sources, such as a "true debt for tax credit financing.</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.</p>						
Threshold Requirements	<p>Threshold Requirements are enumerated in the table below:</p> <table border="1"> <thead> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> </thead> <tbody> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the</td></tr> </tbody> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the
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	<p>sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);</p>
<p>3: Project must have Site Control and Clean Title</p>	<p>Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8); Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;</p>
<p>4: Project sponsor must pass Sponsor Underwriting</p>	<p>Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;</p>
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<p>7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils</p>	<p>Document 7: Project sponsor must submit a Soils Report;</p>
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11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
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156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;

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Evaluation and Scoring Criteria	<p>If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:</p> <table> <tr> <th data-bbox="480 1161 984 1213">All New Construction Base Scoring</th><th data-bbox="992 1161 1481 1213">Points</th></tr> <tr> <td data-bbox="480 1224 984 1266">Feasibility</td><td data-bbox="992 1224 1481 1266">30</td></tr> <tr> <td data-bbox="480 1276 984 1318">Cost Effectiveness</td><td data-bbox="992 1276 1481 1318">10</td></tr> <tr> <td data-bbox="480 1329 984 1371">Entitlement Readiness</td><td data-bbox="992 1329 1481 1371">15</td></tr> <tr> <td data-bbox="480 1381 984 1507">Discounted Contributions of Land Contributions of Public Land or Land Contributed by Faith Based Orgs</td><td data-bbox="992 1381 1481 1507">5</td></tr> <tr> <td data-bbox="480 1518 984 1602">Site Efficiency (100 units or More Per Acre)</td><td data-bbox="992 1518 1481 1602">10</td></tr> <tr> <td data-bbox="480 1612 984 1696">Priority Geographies (TCAC Opportunity Maps)</td><td data-bbox="992 1612 1481 1696">5</td></tr> <tr> <td data-bbox="480 1707 984 1791">Priority Populations (3BR units or Special Needs or ALI/ELI)</td><td data-bbox="992 1707 1481 1791">5</td></tr> <tr> <td data-bbox="480 1801 984 1885">No Relocation, or, if Relocation then Must Double Units</td><td data-bbox="992 1801 1481 1885">10</td></tr> <tr> <td data-bbox="480 1896 984 1938">Enhanced Accessibility Program</td><td data-bbox="992 1896 1481 1938">10</td></tr> <tr> <td data-bbox="480 1948 984 1980">TOTAL BASE SCORE</td><td data-bbox="992 1948 1481 1980">100</td></tr> </table>	All New Construction Base Scoring	Points	Feasibility	30	Cost Effectiveness	10	Entitlement Readiness	15	Discounted Contributions of Land Contributions of Public Land or Land Contributed by Faith Based Orgs	5	Site Efficiency (100 units or More Per Acre)	10	Priority Geographies (TCAC Opportunity Maps)	5	Priority Populations (3BR units or Special Needs or ALI/ELI)	5	No Relocation, or, if Relocation then Must Double Units	10	Enhanced Accessibility Program	10	TOTAL BASE SCORE	100
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All ULA Multifamily Affordable Housing projects will be subject to the following scoring requirements.

ULA Multifamily	Points
TCAC/CDLAC Scoring Competitiveness	25

All definitions for each scoring criteria are described in the primary [Homes for LA Super NOFA Regulations](#) document.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published [Homes for LA 2025 Super NOFA Program Regulations](#). LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Updated Primary Document 04/29/2025

Los Angeles Housing Department Term Sheet
~~AHMP--Pooled Sources~~ Preservation Program
DRAFT FOR PUBLIC REVIEW APRIL 29, 2025

Program Description	<p>The Pooled Sources Preservation Program is offered by Affordable Housing-Managed Pipeline (AHMP) program is initiated by the City of Los Angeles to preserve and modernize develop existing affordable housing, aimed at low and very low income households. This initiative not only seeks to increase the supply of affordable rental units but also to promote neighborhood revitalization, leverage community investments, and foster sustainable living environments. The AHMP emphasizes a collaborative approach, involving multiple stakeholders in the creation and management of housing resources.</p> <p>The Pooled Sources Preservation Program provides financial assistance to projects that The Preservation Program (“Program”) of the AHMP may be used by existing affordable housing developments with continuing or at-risk affordability restrictions, that require rehabilitation to improve and extend the building’s useful life.</p> <p>Proposals under this program will be solicited via a “ <u>Homes for LA Super</u> NOFA” that is anticipated to open on September 5, 2025. Applications are expected to be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this <u>Homes for LA Super</u> NOFA, LAHD will provide up to \$60 an estimated \$10 to \$15 million as part of the AHMP Pooled Sources Preservation Program. Funding is to be provided through HOME, California Permanent Housing Local Assistance, and Los Angeles Affordable Housing Linkage Fee funding. The total amount of available capital funds will be confirmed with the publication of the <u>Homes for LA Super</u> NOFA.</p> <p>This program utilizes HOME funding. All details related to HOME funding regulations can be found in Section 45 of the <u>Homes for LA Super</u> NOFA Program Regulations.</p>
Eligible Applicants	<p>Non-profit developers, for-profit developers, joint ventures, limited liability corporations, and limited partnerships.</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none">● Acquisition, s Substantial rehabilitation/reconstruction and conversions of non-residential buildings (Adaptive Reuse), and preservation without acquisition <u>resyndication and resyndication.</u> <p><u>Project Size:</u></p> <ul style="list-style-type: none">● No maximum or minimum <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">● Must pay State Prevailing Wage and Davis Bacon (Section 45), as applicable

	<p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> ● It is expected that projects under the AHMP Preservation program apply for LIHTCs ● Project financing must include existing commitments from federal, state, county or non-City funding sources, or a commitment and demonstrated capacity to pursue the same within the project timeline.
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <p>Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below.</p> <p><u>Rent Schedules</u></p> <p>LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.</p>
Eligible Activities	<ul style="list-style-type: none"> ● Acquisition costs for new ownership entity and transfer of interest among related entities; ● Rehabilitation: Renovation of existing structures to meet affordable housing standards; ● Adaptive Reuse: Conversion of commercial or underutilized properties into residential units; ● Tenant Relocation Assistance: Costs associated with relocating existing residents during project development. Activities must be directly tied to the creation or improvement of affordable housing options.
Ineligible Activities	<ul style="list-style-type: none"> ● Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. ● Costs associated with units not funded by the City of Los Angeles. ● <u>Replacement reserves.</u> ● Commercial space or tenant improvements. ● Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. ● Travel expenses, food, or meals. ● Application fees for other project financing. ● Office or general organizational expenses. ● Costs that would normally be paid by the Limited Partnership or Limited Liability Company. ● The payment of delinquent taxes, fees, or charges on properties. ● Projects that do not conform to local zoning laws or housing codes. ● Developments solely intended for commercial use or mixed-use projects without dedicated affordable housing components. ● Costs associated with operations unrelated to the development or improvement of affordable housing, such as luxury amenities that do not serve low-income residents. ● Any application submitted post-deadline will not be accepted, impacting both processing and funding opportunities.

Loan Assistance and Term Limits

Limit: The maximum LAHD soft loan loan limit is up to 30% Loan-to-Costs as of total development costs identified in supported by the project's Capital Needs Assessment (CNA).

Interest Rate : Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.

Term of Loan : Fifty-Seven (57) years (i.e. a 24-month construction period followed by a fifty -five (55) year permanent loan period) . LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.

Term of Affordability Covenant : The term of the affordability covenant is required to be fifty -five (55) years from completion of construction, or for the maximum period required by CTCAC, HCD, HUD, or CDLAC, whichever is longer.

Type: Rehabilitation/Construction and Permanent loans. These loans will be provided in the form of residual receipts loans.

Subordination : The subordination of the regulatory agreement for Pooled Sources Preservation ~~AHMP preservation~~ projects indicates that LAHD can, at its discretion, subordinate repayment, security positions, and affordability covenants to a conventional lender or other public agency lender.

Threshold Requirements

Threshold requirements for this program are enumerated in the table below:

Threshold Item	Required Documents
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;

4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40-unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
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13: Tenants must be notified of potential displacement and their rights	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;
134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards;
145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
167: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 167: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
178: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 178: Evidence of committed Project-Based Vouchers (PBVs);
189: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 189: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;
201: For Preservation projects and/or Operating Assistance only, Sponsors	Document 201: Sponsor must submit a detailed Stabilization Plan demonstrating how Homes for LA Super NOFA funds will support

	<div> <div>must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy</div> <div>the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;</div> </div>																		
Evaluation and Scoring Criteria	<p>Applicants determined to have passed Threshold Review will be scored and prioritized for funding based on the following scoring priorities:</p> <table> <tr> <th>All Preservation Base Scoring</th><th>Points</th></tr> <tr> <td>Feasibility</td><td>20</td></tr> <tr> <td>Entitlement Readiness</td><td>15</td></tr> <tr> <td>Capital Stabilization Plan</td><td>20</td></tr> <tr> <td>Risk of Affordability Loss</td><td>15</td></tr> <tr> <td>Priority Populations (Special Needs or ALI/ELI)</td><td>5</td></tr> <tr> <td>Retrofit/Rehabilitation Work that Provides Certified Accessible Units</td><td>20</td></tr> <tr> <td>Enhanced Accessibility Program</td><td>5</td></tr> <tr> <td>TOTAL BASE SCORE</td><td>100</td></tr> </table> <p>All definitions for each scoring criteria are described in the primary Homes for LA Super NOFA Regulations document.</p>	All Preservation Base Scoring	Points	Feasibility	20	Entitlement Readiness	15	Capital Stabilization Plan	20	Risk of Affordability Loss	15	Priority Populations (Special Needs or ALI/ELI)	5	Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20	Enhanced Accessibility Program	5	TOTAL BASE SCORE	100
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Contact Information	<p>TBD</p> <p><i>This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA 2025 Super NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.</i></p> <p>Updated Primary Document 04/29/2025</p>																		

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Acquisition and Rehabilitation:
Preserving Affordability
DRAFT FOR PUBLIC REVIEW APRIL 29, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the City's Acquisition & Rehabilitation: Preserving Affordability Program, which supports the acquisition, rehabilitation, and preservation of affordable housing.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA Super NOFA, LAHD will provide up to an anticipated \$30.4 million as part of the United To House Los Angeles (ULA) Acquisition and Rehabilitation: Preserving Affordability program. Availability of funds for this Program is subject to approval of the proposed FY 202526 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA Super NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non -profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity. A for -profit entity cannot be the Managing General Partner.</p> <p><u>Tenant Governance Experience</u></p> <p>Development teams must also demonstrate experience supporting tenant governance models. Developers that do not have capacity themselves to support tenant governance must partner with a locally -based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.</p> <p>Partnerships may take the form of General Partnerships, Limited Partnerships or Limited Liability Companies or other Special -Purpose Entities (SPEs) where the experienced Nonprofit has an ownership stake in the SPE, or fee -for-service contractual agreements with a Nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none"> ● The project must be an existing residential building that is subject to a regulatory agreement that restricts some or all of its units with respect to

household incomes and/or rents. In addition, the building must have an existing regulatory agreement that will expire within ten (10) years from the time of the application for funding.

Project Size:

- The Acquisition Rehabilitation (Preservation) program has no maximum or minimum project size with respect to unit counts.

Affordability Requirement Unique to Acquisition Rehabilitation (Preservation):

- Upon completion of preservation activities, all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. Existing tenants should not be displaced if their incomes exceed 80% AMI or any lower income limits adopted for their unit. Unit affordability targets should be achieved over time through natural turnover.

Labor Compliance:

- Must pay prevailing wage.
- If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure -wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council.

Outside Leveraging:

- Leveraging of non -ULA funding sources is only permissible if such additional funding does not preclude future conversion of the property to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance.

Project Resale:

- Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs).

**Affordability
Requirements and
Rent Schedules**

Affordability Requirements:

Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below.

Rent Schedules

LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when projects or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.

Eligible Activities	<ul style="list-style-type: none"> ● Acquisition costs during predevelopment; ● <u>Rehabilitation costs</u>; ● Predevelopment costs, including, but not limited to, costs for architectural plans and renderings, Environmental Review and Historic Preservation; and Phase I Environmental Assessment Report, Phase II Environmental Assessment Report (if required), and Lead/Asbestos Reports as defined in the Department's Affordable Housing Managed Pipeline Program Requirements (Sept. 2022); ● Construction and financing costs, including demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit, and general conditions; ● Relocation and related expenses; ● Soft costs related to the construction and development of the project, including conventional financing, design, program, financing, and entitlement processing, developer fees, legal fees, and professional fees; and ● Replacement reserves; and ● Reasonable reserves for operating costs, for projects requiring short-term capitalized operating assistance, that are still able to demonstrate long-term financial viability without operating assistance except from Section 8 Housing Choice Vouchers or similar long-term rental housing vouchers.
Ineligible Activities	<ul style="list-style-type: none"> ● Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. ● Costs associated with units not funded by the City of Los Angeles. ● Reimbursement for project costs that have been paid by another project funding source, unless the reimbursement was approved at the time of commitment. ● Travel expenses, food, or meals. ● Application fees for other project financing. ● Office or general organizational expenses. ● Costs that would normally be paid by the Limited Partnership or Limited Liability Company. ● The payment of delinquent taxes, fees, or charges on properties.
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of total development cost. LAHD reserves the right to increase the maximum amount per project on a case-by-case basis.</p> <p>Type: Construction (including reimbursement of acquisition and predevelopment costs) and Permanent loans. Permanent loans may allow for transfer of ownership to a legal entity owned and/or controlled by residents. These loans will be provided in the form of residual receipts loans.</p>

Interest Rate : Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility. In the case of Service Payback Loan or other forgivable loan product, the interest rate may be 0%.

Term of Loan : Sixty (60) years (i.e. a 24-month construction period followed by a 58-year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.

Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government -sponsored entity loan programs, LAHD shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in .

Subordination : The Regulatory Agreement for ULA designated units will **not** be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. LAHD will, however, generally subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.

Threshold Requirements

Threshold Requirements are enumerated in the table below:

Threshold Item	Required Documents
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects

	applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA Super	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also

NOFA funding program for which it is applying	certify that the applicant has fully read through the Homes for LA Super NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Tenants must be notified of potential displacement and their rights	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;
134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards;
145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
167: For projects with tax credits in the capital stack only , project must demonstrate competitiveness for tax credits	Document 167: Projected self-score and tiebreaker for CTCAC application or CDLAC application;
178: For Permanent Supportive Housing (PSH) projects only , sponsor must demonstrate commitment of operating/rental subsidy	Document 178: Evidence of committed Project -Based Vouchers (PBVs) or other long-term operating subsidy;
189: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 189: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;

	1920: For ULA Acquisition & Rehabilitation projects only , Sponsors must demonstrate that project has expiring covenants	Document 1920: Sponsor must provide the deed of trust and covenant agreement on the property with expiring covenants;						
	204: For Preservation and/or Operating Assistance only , Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 204: Sponsor must submit a detailed Stabilization Plan demonstrating how <u>Homes for LAsuper</u> NOFA funds will support the financial sustainability o f the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;						
	212: For ULA projects with at least 40 units only , construction must comply with a Project Labor Agreement	Document 212: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;						
	234: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project must address racial disparities	Document 23: Project sponsor must provide a Racial Equity Commitment;						
	245: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only , Project incorporates tenant governance and development team has tenant governance experience	Document 24: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;						
Evaluation and Scoring Criteria	Applicants determined to have passed Threshold Review will be scored and prioritized for funding based on the following scoring priorities:							
	<table><tr><th>All Preservation Base Scoring</th><th>Points</th></tr><tr><td>Feasibility</td><td>20</td></tr><tr><td>Entitlement Readiness</td><td>15</td></tr></table>	All Preservation Base Scoring	Points	Feasibility	20	Entitlement Readiness	15	
All Preservation Base Scoring	Points							
Feasibility	20							
Entitlement Readiness	15							

Capital Stabilization Plan	20
Risk of Affordability Loss	15
Priority Populations (Special Needs or ALI/ ELI)	5
Retrofit/ Rehabilitation Work that Provides Certified Accessible Units	20
Enhanced Accessibility Program	5
TOTAL BASE SCORE	100

Additional Program-Specific Scoring Elements:

ULA Acq/Rehab Preservation	Points
TCAC/CDLAC Scoring Competitiveness	25
History of Tenant Engagement	10
Risk of Affordability Loss	10

All definitions for each scoring criteria are described in the primary [Homes for LA Super NOFA Regulations](#) document.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published ~~Homes for LA 2025 Super~~ NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Updated Primary Document 04/29/2025

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Alternative Models: Preservation
DRAFT FOR PUBLIC REVIEW APRIL 29, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the City's Alternative Models Preservation Program, which supports the rehabilitation and preservation of affordable housing.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the preservation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA Super NOFA, LAHD will provide up to an anticipated \$52.9 million as part of the United To House Los Angeles (ULA) Alternative Models Preservation Program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA Super NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity.</p> <p><u>Tenant Governance Experience</u></p> <p>Development teams must also demonstrate experience supporting tenant governance models. Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.</p> <p>Partnerships may take the form of General Partnerships, Limited Partnerships or Limited Liability Companies or other Special Purpose Entities (SPEs) where the experienced Nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a Nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Type:</u></p> <ul style="list-style-type: none">● The project must be an existing residential building that is under significant financial distress and/or projects with expiring or expired covenants requiring recapitalization and major capital improvements. <p><u>Project Size:</u></p>

	<ul style="list-style-type: none"> ● The Alternative Models Preservation Program has no maximum or minimum project size with respect to unit counts. <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none"> ● Must pay prevailing wage. ● If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> ● Leveraging of non-ULA funding sources is only permissible if such additional funding does not preclude future conversion of the property to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance. ● This subsidy may be combined with funding from the LAHD and other agencies, including loans provided through Measure ULA and other applicable programs. <p><u>Project Resale:</u></p> <ul style="list-style-type: none"> ● Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
<p>Affordability Requirements and Rent Schedules</p>	<p><u>Affordability Requirements</u></p> <ul style="list-style-type: none"> ● A minimum of 20% of the total project units must be restricted to Acutely Low Income (ALI) and/or Extremely Low Income (ELI) Households (15% Area Median Income (AMI) and/or 30% AMI and below, respectively). Existing tenants should not be displaced if their incomes exceed newly adopted limits under this program. Unit affordability targets should be achieved over time through natural unit turnover. ● Up to 20% of the total project units may be unrestricted with respect to rents and household incomes if necessary to make the project financially feasible in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4), but all other units must be restricted to be affordable to Lower Income Households (80% AMI and below). If the unrestricted units are occupied at the time of the project's participation in the Preservation Program, existing tenants should not be displaced. Units should instead float to the higher rent target over time through natural unit turnover. <p><u>Rent Schedules</u></p> <ul style="list-style-type: none"> ● All deed restricted affordable units must be affordable in perpetuity, as defined under Loan Terms, with AMI limits set at the project rather than unit level, and a suggested average of 60% AMI across each project, subject to

	<p>City Attorney approval of the regulatory agreement.</p> <ul style="list-style-type: none"> ● LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when the project or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.
Eligible Activities	<ul style="list-style-type: none"> ● Acquisition costs for new ownership entity and transfer of interest among related entities; ● Rehabilitation: Renovation of existing structures to meet affordable housing standards; ● Adaptive Reuse: Conversion of commercial or underutilized properties into residential units; ● Tenant Relocation Assistance: Costs associated with relocating existing residents during project development. Activities must be directly tied to the creation or improvement of affordable housing options. ● Costs associated with market -rate units provided only for the purpose increasing project financial stability in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4); and ● Reasonable reserves for operating costs, for projects requiring short -term capitalized operating assistance, that are still able to demonstrate long -term financial viability without operating assistance except from Section 8 Housing Choice Vouchers or similar long-term rental housing vouchers.
Ineligible Activities	<ul style="list-style-type: none"> ● Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. ● Costs associated with units not funded by the City of Los Angeles. ● Commercial space or tenant improvements. ● Reimbursement for project costs that have been paid by another project funding source unless the reimbursement was approved at the time of commitment. ● Travel expenses, food, or meals. ● Application fees for other project financing. ● Office or general organizational expenses. ● Costs that would normally be paid by the Limited Partnership or Limited Liability Company. ● The payment of delinquent taxes, fees, or charges on properties. ● Projects that do not conform to local zoning laws or housing codes. ● Developments solely intended for commercial use or mixed -use projects without dedicated affordable housing components.

	<ul style="list-style-type: none"> ● Costs associated with operations unrelated to the development or improvement of affordable housing, such as luxury amenities that do not serve low-income residents. ● Any application submitted post-deadline will not be accepted, impacting both processing and funding opportunities. 						
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is 100% of total development cost.</p> <p>Interest Rate : Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan : The permanent loan term shall be no less than Sixty (60) years , and fully amortizing.</p> <p>Term of Affordability Covenant : The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government -sponsored entity loan programs, LAHD, shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements.</p> <p>Type: Rehabilitation/Construction and Permanent loans. These loans will be provided in the form of residual receipts loans.</p> <p>Subordination : The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.</p>						
Threshold Requirements	<p>Threshold Requirements are enumerated in the table below:</p> <table> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a</td></tr> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a
Threshold Item	Required Documents						
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;						
2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a						

	principal (identities of interest, conflicts of interest and default/ foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;
9: Projects must show comply with architectural standards; ULA New	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications

Construction projects must meet a 40 unit count minimum	opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA Super NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA Super NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Tenants must be notified of potential displacement and their rights	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;
134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards;
145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
178: For Permanent Supportive Housing (PSH) projects only , sponsor must demonstrate commitment of operating/rental subsidy	Document 178: Evidence of committed Project -Based Vouchers (PBVs);
189: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 189: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;

<p>204: For Preservation and/or Operating Assistance only , Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy</p>	<p>Document 204: Sponsor must submit a detailed Stabilization Plan demonstrating how Homes for LASuper NOFA funds will support the financial sustainability o f the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;</p>
<p>212: For ULA projects with at least 40 units only , construction must comply with a Project Labor Agreement</p>	<p>Document 212: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;</p>
<p>223: For ULA Alternative Models projects only , Project must address neighborhood level needs</p>	<p>Document 223: Project sponsor must submit a Statement of Public Purpose;</p>
<p>234: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project must address racial disparities</p>	<p>Document 234: Project sponsor must provide a Racial Equity Commitment;</p>
<p>245: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project incorporates tenant governance and development team has tenant governance experience</p>	<p>Document 245: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;</p>
<p>256: For ULA Alternative Models projects only, Project sponsor must engage community to identify environmental hazards beyond baseline Environmental Site Assessments (ESA)</p>	<p>Document 256: Project sponsor must submit Enhanced Environmental Health Commitment for any projects located in an area at 80th percentile or above in the CalEnviroScreen 4.0;</p>

Evaluation and Scoring Criteria

There will be a first priority pool within this program for CLT and CLT partnership applications.

If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:

All Preservation Base Scoring	Points
Feasibility	20
Entitlement Readiness	15
Capital Stabilization Plan	20
Risk of Affordability Loss	15
Priority Populations (Special Needs or ALI/ELI)	5
Retrofit/Rehabilitation Work that Provides Certified Accessible Units	20
Enhanced Accessibility Program	5
TOTAL BASE SCORE	100

All ULA Alternative Models Preservation projects will be subject to the following scoring requirements:

ULA Alt Models Preservation*	Points
History of Tenant Engagement	10
Risk of Affordability Loss	10

All definitions for each scoring criteria are described in the primary [Homes for LA Super NOFA Regulations](#) document.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published ~~Homes for LA 2025 Super~~ NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and with prior notice, terminate the program, amend or waive compliance with any of its terms or reject any or all proposals for funding.

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Alternative Models: New Construction
DRAFT FOR PUBLIC REVIEW - APRIL 29, 2025

Program Description	<p>The United to House Los Angeles (ULA) program is a sustainable funding stream dedicated to affordable housing production and homelessness prevention in the City of Los Angeles. Through ULA, the City provides funding to the City's Alternative Models: New Construction Program, which supports the construction of permanently affordable, tenant-led models of affordable housing.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA Super NOFA, LAHD will provide up to an anticipated \$101.5 million as part of the United To House Los Angeles (ULA) Alternative Models New Construction Program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA Super NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity. A for-profit entity cannot be the Managing General Partner.</p> <p><u>Tenant Governance Experience</u></p> <p>Development teams must also demonstrate experience supporting tenant governance models. Developers that do not have capacity themselves to support tenant governance must partner with a locally-based Nonprofit organization that has a demonstrated history of managing residential properties under tenant governance models.</p> <p>Partnerships may take the form of General Partnerships, Limited Partnerships or Limited Liability Companies or other Special-Purpose Entities (SPEs) where the experienced Nonprofit has an ownership stake in the SPE, or fee-for-service contractual agreements with a Nonprofit demonstrating experience in tenant governance. Partnership documents must provide an outline of roles and responsibilities between developer and partner organization(s).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Types:</u></p> <ul style="list-style-type: none"> Projects must be new construction, <u>including ADUs</u>, and/or adaptive reuse of affordable housing.

	<p><u>Project Size:</u></p> <ul style="list-style-type: none">• Projects must have 40 or more units (new construction) <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none">• Must pay prevailing wage• All projects with 40 or more units must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none">• Leveraging of additional public sources is allowed so long as the outside funding sources do not preclude conversion to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance.• These projects are not envisioned to be paired with LIHTC funding, but there is no restriction against it. <p><u>Project Resale:</u></p> <ul style="list-style-type: none">• Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements:</u></p> <ul style="list-style-type: none">• A minimum of 20% of the total project units must be restricted to Acutely Low Income (ALI) and/or Extremely Low Income (ELI) Households (15% Area Median Income (AMI) and/or 30% AMI and below, respectively).• Up to 20% of the total project units may be unrestricted with respect to rents and household incomes if necessary to make the project financially feasible in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4), but all other units must be restricted to be affordable to Lower Income Households (80% AMI and below). <p><u>Rent Schedules:</u></p> <ul style="list-style-type: none">• All deed restricted affordable units must be affordable in perpetuity with exceptions for projects needing 55-year covenants for underwriting feasibility, with AMI limits set at the project rather than unit level, and with a suggested average of 60% AMI across each project, subject to City Attorney approval of the regulatory covenant.• LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when the project or units in the project are subject to

	regulatory agreements that require Health and Safety Code income targeting and rent schedules.
Eligible Activities	<ul style="list-style-type: none"> • Acquisition costs during predevelopment; • Predevelopment costs, including, but not limited to, costs for architectural plans and renderings, Environmental Review and Historic Preservation; and Phase I Environmental Assessment Report, Phase II Environmental Assessment Report (if required), and Lead/Asbestos Reports as defined in the Department's Affordable Housing Managed Pipeline Program Requirements (Sept. 2022); • Construction and financing costs, including but not limited to, demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit, and general conditions; • Soft costs related to the construction and development of the project, including conventional financing, design, program, financing, and entitlement processing, developer fees, legal fees, and professional fees; • Relocation and related expenses; • Costs associated with market-rate units provided only for the purpose of increasing project financial stability in accordance with Los Angeles Administrative Code Section 22.618.3(d)(1)(ii)(b)(4)
Ineligible Activities	<ul style="list-style-type: none"> • Substitution for any committed permanent project financing source, unless the substitution was approved at the time of commitment. • Costs associated with units not funded by the City of Los Angeles. • Reimbursement for project costs that have been paid by another project funding source, unless the reimbursement was approved at the time of commitment. • Travel expenses, food, or meals. • Application fees for other project financing. • Office or general organizational expenses. • Costs that would normally be paid by the Limited Partnership or Limited Liability Company. • The payment of delinquent taxes, fees, or charges on properties.
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 80% of the Total Development Cost (TDC).</p> <p>Type: Predevelopment, construction (including reimbursement of acquisition and predevelopment costs) and Permanent financing. Permanent loans will allow for transfer of ownership to a legal entity owned and/or controlled by residents. The loan will be structured as a residual receipts loan.</p>

Interest Rate: Three percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.

Term of Loan: Sixty (60) years (i.e. a 24-month construction period followed by a 58-year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.

Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD, shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements.

~~The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law).~~

Subordination: The Regulatory Agreement for ULA designated units will **not** be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, generally subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.

Threshold Requirements	The threshold requirements are enumerated in the table below:	
	Threshold Item	Required Documents
	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
	2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
	3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
	4: Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSS) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
	5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
	6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
	7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
	8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;

9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA Super NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA Super NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Tenants must be notified of potential displacement and their rights-	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;
134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards;
145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
212: For ULA projects with at least 40 units only, construction must comply with a Project Labor Agreement	Document 212: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;
223: For ULA Alternative Models projects only, Project must address neighborhood level needs	Document 223: Project sponsor must submit a Statement of Public Purpose;

234: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project must address racial disparities	Document 234: Project sponsor must provide a Racial Equity Commitment;
245: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects only, Project incorporates tenant governance and development team has tenant governance experience	Document 245: Project sponsor must submit a Resident Engagement and Leadership Plan; the sponsor also shows that a member of the development team has experience pertaining to the tenant governance, including through the provision of Community Agreements, meeting minutes from Resident Councils, or through trainings and resident attestations;
256: For ULA Alternative Models projects only, Project sponsor must engage community to identify environmental hazards beyond baseline Environmental Site Assessments (ESA)	Document 256: Project sponsor must submit Enhanced Environmental Health Commitment for any projects located in an area at 80th percentile or above in the CalEnviroScreen 4.0;

Evaluation and Scoring Criteria

There will be a first priority pool within this program for CLT and CLT partnership applications.

If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:

All New Construction Base Scoring	Points
Feasibility	30
Cost Effectiveness	10
Entitlement Readiness	15
Discounted Contributions of Land Contributions of Public Land or Land Contributed by Faith-Based Orgs	5
Site Efficiency (100 units or More Per Acre)	10
Priority Geographies (TCAC Opportunity Maps)	5
Priority Populations (3BR units or Special Needs or ALI/ELI)	5
No Relocation, or, if Relocation then Must Double Units	10
Enhanced Accessibility Program	10
TOTAL BASE SCORE	100

All ULA Alternative Models New Construction projects will be subject to the following scoring requirements:

ULA Alt Models New Construction*	Points
Affordability: Option A with Deeper Affordability with 50% Average AMI for the Deed-Restricted Units Only	5
Option B with Moderate Income (80-120% AMI) Deed-Restricted in Lieu of Market Rate	
Amenities	5
Previous Commitment of Funds (e.g., Philanthropic Funds)	20

All definitions for each scoring criteria are described in the primary [Homes for LA Super](#) NOFA [Regulations](#) document.

Contact Information

TBD

This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published [Homes for LA 2025 Super](#) NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.

Los Angeles Housing Department Term Sheet
United to House Los Angeles (ULA) - Operating Assistance
DRAFT FOR PUBLIC REVIEW - APRIL 29, 2025

Program Description	<p>The United to House Los Angeles (ULA) Operating Assistance Program supports affordable housing in the City of Los Angeles by providing operating support for projects facing a short-term disruption in cash flow or wider economic shock. This Program provides time-limited assistance to projects facing resolvable challenges, in an amount equal to up to two (2) years of eligible operating cost or income gaps.</p> <p>On September 5, 2025, the Los Angeles Housing Department (LAHD) intends to release a Notice of Funding Availability (NOFA), which will provide capital financing for the creation and operation of permanent affordable multifamily rental units.</p> <p>Applications will be due on October 20, 2025.</p>
Available Capital Funds	<p>Through this Homes for LA Super NOFA, LAHD will provide up to an anticipated \$34.3 million as part of the United to House Los Angeles (ULA) Operating Assistance Program. Availability of funds for this Program is subject to approval of the proposed FY 2025-26 ULA Expenditure Plan by the Mayor and City Council. The total amount of available capital funds will be confirmed with the publication of the Homes for LA Super NOFA.</p>
Eligible Applicants	<p>Eligible Project Sponsors are public entities, local housing authorities, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), and 501(c)(3) non-profit entities. Partnerships such as General Partnerships, Limited Partnerships, and Limited Liability Companies (LLCs) may apply provided that the Managing General Partner is an eligible entity.</p> <p><u>Existing LAHD Loan Requirement</u></p> <p>Applicants must either have an existing housing project funded by the City of Los Angeles, or a commitment for a new housing project to be funded by the City of Los Angeles. Priority will be given to projects housing Acutely Low Income or Extremely Low Income households, as well as projects that maintain ownership or stewardship by Nonprofits, Community Land Trusts (CLTs), and Limited Equity Housing Cooperatives (LEHCs).</p>
Eligible Projects and Requirements	<p><u>Eligible Project Type:</u></p> <ul style="list-style-type: none"> The project must be an existing residential building that is under significant financial distress. <p><u>Project Size:</u></p> <ul style="list-style-type: none"> The Operating Assistance Program has no maximum or minimum project size with respect to unit counts. <p><u>Labor Compliance:</u></p> <ul style="list-style-type: none"> Must pay prevailing wage.

	<ul style="list-style-type: none"> If there will be major construction or rehabilitation on projects with 40 units or more, the project must comply with the City of Los Angeles Department of Public Works Master Project Labor Agreement (PLA) or a specific ULA Measure-wide PLA, negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing (SCANPH), and approved by the Los Angeles City Council. <p><u>Outside Leveraging:</u></p> <ul style="list-style-type: none"> Leveraging of non-ULA funding sources is only permissible if such additional funding does not preclude future conversion of the property to tenant ownership, permanent affordability, or any other requirements in the ULA measure and ordinance. This subsidy may be combined with funding from the LAHD and other agencies, including loans provided through Measure ULA and other applicable programs. <p><u>Project Resale:</u></p> <ul style="list-style-type: none"> Resale of rental property is restricted to Nonprofits, Limited Equity Housing Cooperatives (LEHCs) and/or Community Land Trusts (CLTs)
Affordability Requirements and Rent Schedules	<p><u>Affordability Requirements</u></p> <ul style="list-style-type: none"> Except for the manager's unit(s), all units must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. <p><u>Rent Schedules</u></p> <ul style="list-style-type: none"> All units receiving operating support must be covenanted to be affordable to households earning 80% Area Median Income (AMI) or below. Mixed-income projects under the Alternative Models Preservation Program are also eligible for funding.[1] LAHD will apply HUD/LIHTC income targeting and rent schedules. However, projects must comply with all income targeting and rent schedules required by other funding sources and must apply the most restrictive, if there is a conflict. All deed restricted affordable units must be affordable in perpetuity, as defined in Section 2.5, with AMI limits set at the project rather than unit level, and a suggested average of 60% AMI across each project, subject to City Attorney approval of the regulatory agreement. LAHD will apply HUD/LIHTC income targeting and rent schedules, with the exception of when the project or units in the project are subject to regulatory agreements that require Health and Safety Code income targeting and rent schedules.
Eligible Activities	<ul style="list-style-type: none"> Debt service; Insurance premiums and other insurance expenses; Short term security or fire watch services of less than 12 months; Deferred operating costs for building maintenance and repairs of less than \$250,000; Local, state, and federal tax liability; Up to two (2) months of rental subsidies per unit to cover operating shortfalls, not to exceed six (6) months per three (3) year period; or

	<ul style="list-style-type: none"> Replenishing of operating reserves required by LAHD. <p>Costs can be reimbursed for excess expenses incurred within the same fiscal year of the sponsor's application and the fiscal year immediately preceding the year of application.</p> <p>Prospective expenses can be requested for an amount equal to a maximum of two (2) years of projected excess costs.</p>				
Ineligible Activities	<ul style="list-style-type: none"> Major replacement, upgrades, and/or capital improvement of systems including but not limited to Heating, Ventilation, and Air Conditioning (HVAC), plumbing, electrical, sewer, fire sprinklers, roofing, water heaters, solar panels, or insulation; Major repairs costing more than \$250,000; or New construction except to replace units damaged by fire or natural disaster. 				
Loan Assistance and Term Limits	<p>Limit: Operating Reserve: Up to total of \$4,000/unit (up to \$2,000/unit per year for two years of assistance), and up to \$250,000 project-wide for emergency capital needs.</p> <p>Type: Operating Assistance will be provided in the form of a supplemental loan or a grant:</p> <ul style="list-style-type: none"> For awards in excess of \$100,000, the form of assistance will be a supplemental loan to the existing or proposed project loan, with the same loan term, interest rate, and payment terms as the existing LAHD loan. For awards below \$100,000, the form of assistance will be a grant to the project owner or sponsor. <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: The permanent loan term shall be no less than fifteen (15) years, and fully amortizing.[2]</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders</p>				
Threshold Requirements	<p>Threshold Requirements are enumerated in the table below:</p> <table> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;
Threshold Item	Required Documents				
1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;				

2: Project sponsor must disclose potential conflicts of interest and legal/financial liabilities	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report ; Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;

9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LASuper NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LASuper NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Tenants must be notified of potential displacement and their rights	Document 13: Project sponsor must provide Proof of Noticing for Relocated/Displaced Tenants, such as General Information Notice (GIN) for HUD-funded projects;
134: Project must comply with Accessibility Standards	Document 134: Self-Certification Form for Compliance to Accessibility Standards;
145: Sponsor must commit to timely completion of work	Document 145: Sponsor must submit a Milestones Commitment Letter;
156: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 156: Sponsor must submit an Assurances and Conditions form;
178: For Permanent Supportive Housing (PSH) projects only, sponsor must demonstrate commitment of operating/rental subsidy	Document 178: Evidence of committed Project-Based Vouchers (PBVs);

	189: For Preservation projects only, Sponsors must assess deferred maintenance and capital needs	Document 189: Sponsor must submit a Capital Needs Assessment (CNA) and a Scope of Work (SOW) for capital improvements;
	201: For Preservation and/or Operating Assistance only, Sponsors must demonstrate a viable Stabilization Plan for use of funds and an Exit Strategy	Document 201: Sponsor must submit a detailed Stabilization Plan demonstrating how Super NOFA funds will support the financial sustainability of the project, as well as an Exit Strategy detailing how the project will remain stable without any new infusions of City funding;
Evaluation and Scoring Criteria	If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:	
	Criterion	Points
	Demonstrated Financial Hardship	40
	Stabilization Efforts to Date	10
	Operational Stabilization Plan and Exit Strategy	20
	% of Units Restricted as ALI/ELI	5
	Nonprofits, CLT, and Shared-Equity Tenant Ownership Priority	5
	Cost Effectiveness	20
	TOTAL SCORE	100
Contact Information	TBD	
	<i>This Term Sheet is issued to highlight general program goals and requirements. Full requirements and regulations are included in the published Homes for LA2025 Super NOFA Program Regulations. LAHD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.</i>	
Updated Primary Document 04/29/2025		