

# Attachment A

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## **UNITED TO HOUSE LA INTERIM GUIDELINES MULTIFAMILY AFFORDABLE HOUSING ACCELERATOR PLUS PROGRAM**

**October 12, 2023**

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## INTRODUCTION

### Program Summary

The City of Los Angeles' goal, through the United to House LA Accelerator Plus Program, is to expedite the development of affordable housing. The purpose of the Accelerator Plus Program Guidelines is to document the policies, rules and regulations governing the Measure ULA funds administered by the City of Los Angeles through the Los Angeles Housing Department (LAHD) to assist in the creation of affordable housing. The Accelerator Plus Program will issue a 2024 Notice of Funding Availability of \$56.8 million from the United to House LA (ULA) program to provide supplemental loans to speed development.

The Accelerator Plus program will award loans to projects that fall into one of these two categories:

Category A: Projects that need Accelerator Plus as a sole source of supplemental funds to start or complete construction.

- Description: These projects have secured all expected funding sources but, due to cost or scope changes, need additional funds to begin or complete construction.

OR

Category B: Projects that need Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing.

- Description: These projects have funding commitments from City, County and/or State housing programs but need a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits ("LIHTCs") to complete the funding stack and to begin construction.

These projects may have stalled due to any number of current challenges, ranging from the availability of state funding programs, to the rise of construction costs and rising interest rates. The Accelerator Plus program will serve as a supplemental funding source to accelerate the production of affordable multifamily projects that already have a loan commitment from the City such as the Affordable Housing Managed Pipeline (AHMP), HHH or Affordable Housing and Sustainable Communities (AHSC), a tax-exempt loan, or a loan commitment from the County or CA Department of Housing & Community Development ("HCD").

The Accelerator Plus Program and the projects funded through this program must be capable of being in compliance with United to House LA Measure (Exhibit C), including being subject to a

Project Labor Agreement as defined by Section 2500(b)(1) of the California Public Contract Code, as well as the project size and affordability covenant provisions.

**Submittal Deadlines**

The deadline to submit an application to this Notice of Funding Availability (NOFA) is 11:59 p.m. on December 15, 2023, or 45 days from City Council and Mayor approval of this NOFA, whichever is later. It will be accessible at [www.unofa.org](http://www.unofa.org).

Proposals will be accepted via the Universal Notice of Funding Availability (UNOFA) application only (See Section 2). Any modification of forms and templates provided by LAHD is not allowed. Any application and application-related documents submitted after the deadline will not be accepted for processing. LAHD reserves the right to waive minor technical deficiencies in the application.

**2023 LAHD ULA Accelerator Plus NOFA Timeline\***

DESCRIPTION	TENTATIVE DATES*
Accelerator Plus Final Regulations posted/Open Notice of Funding Availability	November 3, 2023
Notice of Funding Availability applications due by 11:59 p.m.	December 15, 2023
List of Applications and Self scores published	December 21, 2023
List of Preliminary Scores published	January 12, 2024
Appeals Process concluded	January 29, 2024
Final Scores and <u>Accelerator Plus</u> Funding Recommendations Posted	February 15, 2024

\*Timeline is subject to change. Any modifications to this timeline will be posted online.

**Questions and Technical Assistance**

All questions (including those regarding the ULA Accelerator Plus Regulations, or the online

system) must be submitted via the “Ask a Question/FAQ” function of the online NOTICE OF FUNDING AVAILABILITY application. This includes requests for any online technical assistance.

To ensure the fair and consistent distribution of information, all questions will be answered in the FAQ Section of the online application. **Questions will not be accepted via email, phone, or by any means other than the online application.** No individual answers will be provided. The FAQ page will be updated on a regular basis to ensure the prompt delivery of information.

## SECTION 1: GENERAL PROVISIONS

### 1.1 Eligible Applicants

Eligible Applicants include non-profit developers, for-profit developers, or partnerships, joint ventures, limited liability corporations, and limited partnerships, which have an existing financial award to support multi-family affordable rental housing developments from the City of Los Angeles, County of Los Angeles, and/or the Department of Housing and Community Development (“HCD”).

LAHD may deny applications from individuals or entities that have not met current obligations to the City, as identified in LAHD’s Business Policy (Refer to Section 7.7 of the AHMP Guidelines). 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 (AHP), and Portfolio Management requirements. Submittal of a proposed project by an applicant that is not in compliance may result in disqualification of the project based on threshold criteria.

### 1.2 Eligible Projects

Eligible Projects are projects that have stalled while waiting for one source of funding to apply for Low Income Housing Tax Credits (“LIHTC”), have a gap impacting their ability to close their construction financing, or need an additional source of financing to complete construction. Eligible Projects must fall into one of two categories:

Category A: Projects that need Accelerator Plus as a sole source of supplemental funds to start or complete construction. These projects have secured all expected funding sources including a funding commitment or loan from LAHD, but due to cost or scope changes, need additional funds to begin or complete construction.

- These Eligible Projects will have secured commitments of all funding sources with the exception of Accelerator Plus.
- The Maximum loan limit is the lesser of up to \$100,000/unit or \$10 million per project

OR

Category B: Projects that need Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing. These projects have funding commitments from City, County and/or State housing funding programs but need a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits (“LIHTCs”) to complete the funding stack and to begin construction.

- These Eligible Projects will have secured all funding sources with the exception of LIHTCs and Accelerator Plus.
- The Maximum loan limit is the lesser of up to \$140,000/unit or \$15 million per project.

Per Measure ULA, Eligible Projects are new construction or substantial rehabilitation that will add 40 or more units to the City's affordable housing stock. Eligible Projects must be subject to a Project Labor Agreement as defined by Section 2500(b)(1) of the California Public Contract Code. This requirement applies to all Eligible Projects including projects in Category A that are about to start construction or are already in construction.

All Eligible Projects, including those in Category A and B, must be admitted into the Affordable Housing Managed Pipeline (AHMP), have a loan commitment from the City such as HHH or Affordable Housing and Sustainable Communities (AHSC), a tax-exempt loan, or other City loan, or a loan commitment from the County or Department of HCD.

All Accelerator Plus-funded units shall have rents affordable to lower-income households as defined by Measure ULA, specifically Section 22.618.3(d)(1)(i)(b).

### **1.3 Eligible Activities**

Accelerator Plus funds shall be used to support the development of affordable housing projects of 40 units or more for income-qualified populations in conjunction with other federal, state and local affordable housing funding sources in accordance with the Multifamily Housing Program of Measure ULA. Eligible activities include making subordinate, residual receipts loans to projects that are under, or about to start construction for the purpose of preventing those projects from missing critical milestones, including applying for LIHTCs, and to support the rapid production of affordable housing.

### **1.4 Ineligible Activities**

Funds awarded under this NOFA shall not be used for the following expenses or activities:

- Gap financing for projects that have received funding under the Fast Track loan program (C.F. 23-0206)
- Substitution of any committed project financing source.

- 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.
- Capitalized transition reserve.
- Refinancing permanent debt on existing developments, or recapitalizations of any kind unless the project is within five (5) years of the termination of an affordability covenant.
- Travel expenses, food, or meals of any kind.
- Application fees for other project financing.
- Office expenses.
- Costs that would normally be paid by the Limited Partnership.
- Fees associated with the NOFA, including Monitoring Fees.
- The payment of delinquent taxes, fees or charges on properties.
- Financing for the purpose of acquisition only or for the sole purpose of refinancing existing debt.

## 1.5 Loan Terms and Conditions

Projects will be subject to the following loan terms and conditions:

- Measure ULA Funding Limits:

The ULA Accelerator Plus Program will provide loans that **supplement existing City loans**, so the loan limits for ULA Accelerator Plus Program do not account for any earlier funding. For example, if a project has an HHH loan of \$100,000 per unit, and receives the maximum Accelerator Plus loan of \$140,000 per unit, the total City commitment would be \$240,000 per unit. The ULA Accelerator Plus Program loan limits are described below.

### **Category A: Projects That Need Funds to Start or Complete Construction**

Max Unit Limit - Up to \$100,000/unit

Max Loan Limit - Up to \$10 Million

### **Category B: Projects That Need Accelerator Plus Funding to Apply for LIHTC Financing**

Max Unit Limit - Up to \$140,000/unit

Max Loan Limit - Up to \$15 Million



- Type: Construction (including reimbursement of acquisition and predevelopment costs), and permanent financing
- Interest Rate: The interest rate for all loans is 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.
- Calculation of Interest: Simple interest will be calculated on the loan amount outstanding and based upon a 365-day year, and actual number of days elapsed.
- Payment of Interest:
  - i. Payment of Interest During Construction
 

During the period of construction, accrued interest shall be calculated from the date of the first Warrant (Los Angeles City check or wire) 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 Temporary Certificate of Occupancy ("Construction Period Accrued Interest"). This Construction Period Accrued Interest shall be added to the loan balance. For rehabilitation projects, the date of completion shall be the same date as the recordation date of Notice of Completion.
  - ii. Payment of Interest After Completion of Construction
 

Payment shall be made from annual residual receipts, beginning the First Payment Date and each year thereafter through the term of the loan. During construction, accrued interest shall be deferred and added to the loan balance. Principal and interest shall be due at maturity of the loan. However, principal and interest shall be repaid if there is adequate cash flow after the Allowable Deductions are made. 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 that case, LAHD shall receive its pro-rata share of the residual receipts based on the LAHD's amount of funds versus the total of all funds from all agencies. The Allowable Deductions from the cash flow shall be as follows (1) operating expenses calculated on an accrual basis; (2) debt

service on senior project debt; (3) payments to the operating reserve fund; (4) payments to the replacement reserve fund; (5) actual deposits to the supportive services reserve fund; (6) repayment of General Partner Operating loan(s); (7) payment of deferred developer fees excluding any interest; and (8) payment of related party/third party fee up to twenty five thousand dollars (\$25,000). LAHD does not allow any other fees to be deducted prior to payment of residual receipts to the LAHD.

iii. LAHD Accrued Construction Period Interest Deferral

To limit the need for new funds, the amount of LAHD accrued construction period interest payable at permanent loan conversion shall be deferred and added to the loan interest balance at conversion to permanent financing.

- Term of Loan: Fifty-Seven (57) Years (i.e. a 24-month construction period plus a 55-year permanent loan period).
- 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 to meet requirements of other funding sources.
- The Accelerator Plus commitment will be for a term of one year. At the discretion of the General Manager, LAHD may extend the commitment for one additional year.
- The Debt Coverage Ratio for the first year shall be equal to at least 1.15 to 1 pursuant to Section 10327(g)(6) of the most recent California Tax Credit Allocation Committee (CTCAC) Regulations, except where the applicable leveraging source regulations state otherwise. To be considered feasible, a project must demonstrate positive cash flow after debt service for a 15-year minimum term.

## 1.6 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 the proposed project within the time agreed;
- Breach of rental covenants;
- Failure to maintain the property;
- 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 Measure ULA Project Labor Agreement requirements;
- 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;
- 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 3.7 of the AHMP Guidelines.

## **1.7 Event of Conflict**

Projects must comply with all covenants and loan agreements. Where discrepancies exist between these ULA Accelerator Plus Program Guidelines and other funding requirements, the most restrictive will prevail.

## **SECTION 2: THRESHOLD REQUIREMENTS**

Implementation of the Accelerator Plus program will occur within the framework set forth in the Measure ULA, and in the framework of other City codes and ordinances governing contract requirements, procurement, financial management, budgeting and hiring. This section establishes screening criteria to ensure that only high-quality projects will move forward through the selection process. Finally, this section elaborates on how threshold items interact with LAHD's underwriting and scoring processes.

Because Accelerator Plus projects are organized into two groupings, there is one set of Threshold Requirements for projects in Category A, and one set of Threshold Requirements for Category B. For ALL threshold items in either category, funding applications must either provide the required item, or a statement that the item does not apply to the project.

Both Category A and Category B applicants must disclose sources and amounts for any and all other soft funding sources that the project sponsor has applied to, and inform LAHD of the outcome.

Only projects that meet the threshold requirements will be reviewed and considered for funding.

### **2.1 Category A Thresholds**

Category A is for projects that need Accelerator Plus as a sole source of supplemental funds to start or complete construction. These projects have secured all expected funding sources but, due to cost or scope changes, need additional funds to begin or complete construction.

The following table presents the detailed threshold requirements for Category A:

<b>Threshold Item</b>	<b>Required Documents</b>
Project must demonstrate Financial Feasibility	Completed UNOFA Application and Financial Pro Forma (Exhibit A, Attachment 1)
Project must demonstrate need for Emergency Gap Financing	Variance Analysis (Exhibit A, Attachment 2) flagging major changes in Sources and Uses; Must compare pro forma at the time of Accelerator Plus application to the pro forma used at the later of: (1) the most recent City Council approval of funding; (2) construction loan closing; or (3) the time of CTCAC or CDLAC application.
Project must comply with Project Labor Agreement	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 (Exhibit A, Attachment 3)
Project must provide at least 40 affordable units	Pro forma or entitlement application or building permit application (Exhibit A, Attachment 7)
Project must have committed soft sources	Enforceable Commitment Letters from Funding Sources (Exhibit A, Attachment 6); Project must also disclose amounts and source of any and all other funding applications under review
Project has obtained all Entitlements	Evidence of Entitlement Approvals (Exhibit A, Attachment 5)
Projects must be “shovel-ready” and able to start construction	Building Permits or “Ready to Issue” Letter from Los Angeles Department of Building and Safety, or Evidence of Plan Check Submittal as an Executive Directive 1 project (Exhibit A, Attachment 9)
Project must have Site Control and Clean Title	For projects not already under construction, submit Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8)
Project must comply with Accessibility Standards	Self-Certification Form for Compliance to Accessibility Standards (Exhibit A, Attachment 10)

Projects requiring Operating Subsidy must have Vouchers	Evidence of Project-Based Vouchers (PBVs) (Exhibit A, Attachment 11)
Project must comply with Relocation/Displacement Policies	Leasing Preference Policy and Proof of Noticing for Relocated/Displaced Tenants (Exhibit A, Attachment 12)

## 2.2 Category B Thresholds

Projects that need Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing. These projects have funding commitments from City, County and/or State housing programs but need a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits (“LIHTCs”) to complete the funding stack and to begin construction.

The following table presents the detailed threshold requirements for Category B:

<b>Threshold Item</b>	<b>Required Documents</b>
Project must demonstrate Financial Feasibility	Completed UNOFA Application and Financial Pro Forma (Exhibit A, Attachment 1)
Category B projects holding any form of existing City loan commitment must report major changes in Sources and Uses; Category B projects without existing City loan commitment do not face this threshold requirement	Variance Analysis (Exhibit A, Attachment 2) flagging major changes in Sources and Uses; Must compare pro forma at the time of Accelerator Plus application to the pro forma used at the later of: (1) the most recent City Council approval of funding; (2) construction loan closing; or (3) the time of CTCAC or CDLAC application.
Category B projects must apply for LIHTC	Projected self-score and tiebreaker for CTCAC application or CDLAC application (Exhibit A, Attachment 4)
Project must comply with Project Labor Agreement	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 (Exhibit A, Attachment 3)
Project must have committed soft sources	Enforceable Commitment Letters from Funding Sources (Exhibit A, Attachment 6); Project must also disclose amounts and source of any and all other funding applications under review
Project Sponsor must demonstrate experience developing affordable housing	Based on AHMP Guidelines 5.2.1, Project Sponsor must attain a minimum score of 8 points to be considered to have met this threshold requirement. This item must be accompanied by a Schedule of Past Projects. (Exhibit A, Attachment 13)
Project must provide at least 40 affordable units	Pro forma or building or entitlement applications (Exhibit A, Attachment 7)
Project must be able to start construction within 180 days of LIHTC Award	Evidence of Entitlement Approvals (Exhibit A, Attachment 5)
Project must have Site Control and Clean Title	Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8)
Project must comply with Accessibility Standards	Self-Certification Form for Compliance to Accessibility Standards (Exhibit A, Attachment 10)
Projects requiring Operating Subsidy must have Vouchers	Evidence of Project-Based Vouchers (PBVs) (Exhibit A, Attachment 11)
Project must comply with Relocation/Displacement Policies	Leasing Preference Policy and Proof of Noticing for Relocated/Displaced Tenants (Exhibit A, Attachment 12)

### **2.3 Applicable Regulations, Policies and Procedures**

All applicants must comply with these supplemental guidelines and the provisions of Measure ULA (Exhibit C). If an applicant project has a City loan commitment, the applicant must also comply with the applicable program regulations, policies and procedures. If the applicant project does not have an existing City loan commitment, the applicant must also comply with the Affordable Housing Managed Pipeline Program Regulations, Policies, and Procedures (Exhibit B), specifically Section 3: Underwriting, Cost and Pricing Guidelines.

All applicants must demonstrate reasonableness of funding request and project feasibility.

### **2.4 Timeliness Requirement**

Fast production of affordable housing and leveraging of dollars to have the largest number of units completed as quickly as possible are critical goals of the Accelerator Plus program. To that end, projects that are not yet under construction must demonstrate the ability to start construction within 180 days of LIHTC award.

Due to timeliness goals, Accelerator Plus **WILL NOT** require applicants to seek additional financing sources other than LIHTC.

### **2.5 UNOFA Application and Financial Pro forma**

For applications to be considered complete, for both Categories A and B, all applicable items in the Support Documents tab of the UNOFA application must be submitted (Exhibit A, Attachment 1). Proposed projects must meet the minimum Notice of Funding Availability threshold requirements for new construction and/or rehabilitation projects. If an application does not meet these threshold requirements, it will not be considered for ULA Accelerator Plus Program funding. 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 for those related to updates on pending soft funding applications.



In combination with the completed UNOFA application, applicants must upload a completed financial pro forma using the UNOFA pro forma workbook template that is available for download in the UNOFA website.

The following underwriting standards will apply to the pro forma analysis:

- Financial feasibility is evidenced by Pro Forma demonstrating positive cash flow for 15 years;
- LAHD will evaluate Total Development Costs for Reasonableness, and for compliance with Cost and Pricing Guidelines
- LAHD will evaluate Sources and Uses for Reasonableness and Adequacy.

All applicants must disclose sources and amounts for any and all other soft funding sources that the project sponsor has applied to, and inform LAHD of the outcome.

## **2.6 Variance Analysis**

The Variance Analysis demonstrates the increased costs and supports the request for additional funds. Category A and B projects holding any form of prior City loan commitment must submit a Variance Analysis comparing pro forma at the time of Accelerator Plus application to the pro forma used at the later of: (1) the most recent City Council approval of funding; (2) construction loan closing; or (3) the time of California Tax Credit Allocation Committee (CTCAC) or California Debt Limit Allocation Committee (CDLAC) application.

LAHD will evaluate variance in Total Development Costs for Reasonableness, in Sources and Uses for Reasonableness and Adequacy, and for compliance with Cost and Pricing Guidelines.

## **2.7 CTCAC Application**

For Category A projects: Submission of the CTCAC or CDLAC application is not a threshold requirement for projects in this category. Projects in Category A can attach evidence of LIHTC award as part of the threshold requirement for showing committed funding.

For Category B projects: Submission of the project self-score and tiebreaker for proposed CTCAC application or CDLAC application, whichever is applicable, is a threshold requirement for projects in this category. Projects in Category B are required

to apply for LIHTC and will be scored using the self-score and tiebreaker from the most recent round.

## **2.8 Minimum Project Size**

The minimum project size for an Accelerator Plus-funded project is 40 affordable units. See Section 5.3 of the Guidelines.

## **2.9 Developer Experience in Owning and Operating Affordable Housing**

For Category A projects: Projects in this category are assumed to have met the requirement for developer experience in an earlier LAHD loan review.

For Category B projects: Projects in this category must attain a minimum of 8 points on the AHMP Guidelines Section 5.2.1 based on a Schedule of Projects submitted with the application (Exhibit A, Attachment 13).

## **2.10 Entitlements**

Projects in both Category A and Category B must provide evidence of approved entitlements to meet threshold.

## **2.11 Building Permits**

For Category A projects: Building permits ARE a threshold item. Projects in Category A that are not already under construction are required to demonstrate an ability to start construction expeditiously. This timeliness requirement will be evidenced by approved building permits or a “ready to issue” letter from the Los Angeles Department of Building and Safety.

For Category B projects: Building permits ARE NOT a threshold requirement. However, approved building permits or a “ready to issue” letter from the Los Angeles Department of Building and Safety are scoring items that will determine funding priority for projects within Category B.

## **2.12 Project Labor Agreement (PLA)**

See Section 5.4 of these Guidelines.

### **2.13 Preliminary Title Report and Site Control**

With the exception of those projects already under construction, all project sponsors are required to submit evidence of site control and clean title.

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/is, which is prepared within ninety (90) days from the application deadline (Exhibit A, Attachment 8).

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:

- Fee title as demonstrated by a current title report;
- Long-term leasehold interest (minimum term must equal the term of LAHD regulatory agreement);
- Option to purchase or lease (obtaining financing shall be the sole impediment to exercising the option);
- Executed land sale contract or other enforceable agreement for acquisition of the property;
- Executed Disposition and Development Agreement (DDA) with a public agency;
- Option to Lease or an alternative document that meets CTCAC's site control requirement.

### **2.14 Accessibility Standards**

Refer to Section 5.2: Accessibility Certification Requirements

### **2.15 Project-Based Vouchers (PBVs)**

For projects requiring rental subsidies in order to demonstrate financially feasible operating projections, applicants must provide evidence of committed operating subsidies via the following: Housing Assistance Program (HAP) funding, Project-Based Section 8 Vouchers (PBV), or Veterans Affairs Supportive Housing (VASH) (Exhibit A, Attachment 11).

## **2.16 Leasing Preference, and Relocated/Displaced Tenants, Replacement Units and Right of First Refusal**

Refer to Section 5.6: Leasing Preference, and Relocated/Displaced Tenants, Replacement Units and Right of First Refusal.

## SECTION 3: SELECTION PROCESS AND CRITERIA

### 3.1. Evaluation and Scoring Criteria

Applications that pass Threshold Review will be scored and prioritized for funding based upon their phase of development as follows:

- Category A: Projects requiring only an Accelerator Plus award to close on construction financing and begin construction and that have secured all necessary entitlements and building permits; or projects currently under construction that can complete construction and convert to permanent financing;
- Category B: Projects in which an award of Accelerator Plus fulfills the capital stack to apply for LIHTCs.

#### Category A - Scoring

Category A: Projects Requiring only an Accelerator Plus Award to Begin Construction OR Projects Already Under Construction

Projects in Category A will be funded prior to projects in Category B.

- Scoring Process:  
Each application in Category A will be evaluated and scored according to the following criterion:
  1. Ranked by dollar amount requested per Accelerator Plus covenanted unit.

After this ranking occurs, projects will then be approved for funding in order from lowest to highest Accelerator Plus Request cost per unit, not to exceed program limits. This is the only criterion for this category so there is no scoring matrix for Category A applications.

All Category A projects that meet threshold criteria and project feasibility and underwriting review shall be approved for funding before Category B projects are approved.

### Category B - Scoring

Category B: Projects That Lack a LIHTC Commitment and Need One Additional Funding Source  
 If funds remain after projects in Category A have received allocations, then projects in Category B will receive funding in descending order of score. The scoring for Category B is based on the matrix below:

Category B: Projects That Lack a LIHTC Commitment		
Criteria	Max Points	Scoring
<b>Readiness</b>		
Entitlements for project are complete, or project can be developed by-right	50	Evidenced by completed entitlements or a zoning verification letter.
Building Permit is ready to be issued	50	Evidenced by copy of Ready to Issue building permit
<b>Financing</b>		
Maximum Score for TCAC or CDLAC, as applicable	50	Evidenced by the California Tax Credit Allocation Committee or California Debt Limit Allocation Committee self-score for the last round
<b>Total Score</b>	<b>150</b>	
<p><b>TIEBREAKER:</b> In the event of a tie within Category B scoring, the tiebreaker will be based on the <b><u>TCAC</u></b> tiebreaker</p>		

## **SECTION 4: APPLICATION PROCESS AND REQUIREMENTS**

Please refer to Exhibit A for the document checklist. The following general rules will apply to all applications submitted under the ULA Accelerator Plus Program Notice of Funding Availability:

### **4.1 General Rules**

- A. Only one application per project, containing one financing structure only, will be accepted by LAHD. Multiple applications for the same project are not allowed (e.g. an application using a 9% LIHTC structure that is submitted concurrently with a separate application using a Tax Exempt Bond/4% LIHTC structure, on a same project, will be declined).
- B. All applications must be submitted to the UNOFA portal at [www.unofa.org](http://www.unofa.org) by the required date for each established round of Notice of Funding Availability. Applicants are encouraged to submit their projects as early as possible.
- C. Incomplete applications will not be considered for funding. It is the responsibility of the applicant to ensure completeness of their submission.
- D. Staff will begin reviewing and underwriting proposals upon receipt of a complete application.
- E. Applicants will be subject to a background check to ensure compliance with LAHD Business Policy, unless a satisfactory background check has been completed within a year of application.
- F. 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.

### **4.2 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. 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.

#### **4.3 Appeal Process**

- A. Availability. No applicant may file an appeal regarding an LAHD staff evaluation of another applicant's application. An applicant may file an appeal concerning a LAHD staff evaluation of the applicant's project limited to:
- Disqualification of application pursuant to Section 2 – Threshold Requirements;
  - Verification of determination of the application point score pursuant to Section 3 – Selection Process and Criteria.
- B. 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 the 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. Moreover, 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 7 days after receipt of the appeal letter.

#### **4.4 Council Approval Process**

LAHD will present the recommended projects to the City Council and Mayor with award amounts and conditions to be met prior to funding. Council and Mayor will authorize the General Manager of the LAHD, or designee, to determine that funding conditions have been met; to negotiate and execute the relevant financing documents for the project, subject to the approval of the City Attorney as to form; 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 request that the Controller implement the instructions.

In the event of a need to increase loan limits above the conditional commitment amounts in order to close unexpected gaps and accelerate affordable housing production, the General Manager of LAHD, or designee can increase by up to 10%



above the awarded Accelerator Plus loan commitment, contingent upon funding availability.

## **SECTION 5: COMPLIANCE AND ADMINISTRATIVE PROVISIONS AND SUPPLEMENTAL ULA REQUIREMENTS**

The project must conform to the Measure ULA requirements set forth below and in the ULA Measure, as well as the approved program guidelines for the other City loan program for which it was already awarded funding, such as HHH or the AHMP. For those projects that apply with commitments from County or State sources but no City sources, projects shall be subject to the guidelines in the AFFORDABLE HOUSING MANAGED PIPELINE PROGRAM REGULATIONS, POLICIES, AND PROCEDURES released on September 15, 2022, for all matters not specified below. In the event of conflicts between the ULA guidelines and the other City guidelines the most restrictive regulation shall apply.

### **5.1 Building Permits**

As a condition of closing LAHD loans in 9% or 4% LIHTC projects, LAHD will accept a “Ready-To-Issue” letter issued by the Los Angeles Department of Building and Safety, in lieu of a building permit. Prior to disbursement of any LAHD funds, LAHD will require a valid building permit.

### **5.2 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), which 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, and 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; and
- 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 2) 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 comply with the following:

- 4% of the total units in the project must be accessible to persons with sensory impairments; and,
- 11% of the total units in the project must be accessible to persons with mobility impairments.

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.

**Prior to Issuance of TCO:**

Prior to issuance of a Temporary Certificate of Occupancy (TCO), the developer must obtain a clearance from the 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.

**5.3 Minimum Project Size**

Please refer to Measure ULA Section 22.618.3(d)(1)(ii)(a) - Multifamily Housing:

“Twenty-two and one-half percent (22.5%) of the House LA Fund-Programs shall be annually allocated to the development of supportive and/or affordable housing projects of 40 units or greater for income-qualified populations in conjunction with other federal, state, and local affordable housing funding sources, such as federal Low-income Housing Tax Credits and State Low-Income Housing Tax Credits, or to pay the principal and interest on debt incurred for such purpose.”

**5.4 Project Labor Agreement (PLA)**

Please refer to Measure ULA Section. 22.618.7 - Construction Work:

“All construction and rehabilitation on projects 40 units and greater that receive funding or financing from the ULA Accelerator Plus Program will be subject to the City of Los Angeles Department of Public Works Master Project Labor Agreement. The number of units means the maximum number of units authorized in any entitlement granted by the land use permitting authority for the development project, regardless of whether construction proceeds in phases or ownership is divided.

If a specific measure-wide Project Labor Agreement (PLA) is 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, then contractors performing construction and rehabilitation work on projects that receive funding or financing from this measure shall be required to comply with the specific measure-wide PLA, rather than the Department of Public Works Master PLA.”

## **5.5 Affordability Covenant/Regulatory Agreement**

All units in a funded project shall be affordable to and occupied by Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, or Low Income Households. For all proposed projects, refer to Measure ULA Section 22.618.3(d)(1)(i)(b).

“b. Covenants. The programs described in Sections 22.618.3(d)(1)(ii).a.-c. of this Code, including the Multifamily Affordable Housing program, the Alternative Models for Permanent Affordable Housing program, and the Acquisition and Rehabilitation of Affordable Housing program, are intended to provide dedicated housing that is affordable to households at the respective levels of income (e.g., Acutely Low Income, Extremely Low Income, Very Low Income, and Low Income Households) that occupy the housing units, whether as owner-occupants or tenants, and whose housing cost or rent does not exceed the affordable housing cost or affordable rent for households at such income levels. Each property and each affordable housing unit funded pursuant to Sections 22.618.3(d)(1)(ii). a.-c. of this Code shall be made subject to a recorded covenant acceptable to the Department and recorded with the Los Angeles County Recorder, that meets each of the following requirements:

1. Each housing unit in the project shall be used exclusively as a residence for households at the respective income level.
2. The housing cost or rent for such housing unit shall be no more than an affordable housing cost or affordable rent at the respective level of income.
3. No housing unit may be leased or subleased, except to a household at the level of affordability and for no more than an affordable rent for which the unit was dedicated.
4. Any resale of rental property funded by this initiative shall be restricted to non-profit entities or Limited-Equity Housing Cooperatives, including but not limited to affordable housing corporations and Community Land Trusts, to ensure the continued use of the dwelling units as affordable housing as provided in this section.
5. In the case of owner-occupied housing units, initial sales and all resales shall be restricted to purchasers whose household income does not exceed the

income level to which the unit is dedicated and who do not pay in excess of affordable housing cost at that income level; or Limited-Equity Housing Cooperatives or similar entities providing for resident ownership and affordability in perpetuity with an average affordability level for Lower Income Households and which allows not more than 20% of units to be owned and occupied at unrestricted market rates. Unrestricted market rate units shall not be used to calculate average affordability of units in a project.

6. The term of the affordability restrictions contained in the covenant shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law, except that an affordability covenant with a fixed term of no less than 55 years shall be acceptable only if necessary to meet requirements of other funding sources.

7. The affordability restrictions shall be senior to and not subordinated to any lien, deed of trust or condition or restriction to be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions.”

## **5.6 Leasing Preference, and Relocated/Displaced Tenants, Replacement Units and Right of First Refusal**

Please refer to Measure ULA Section 22.618.3(d)(1)(i)(c) - Replacement, Relocation and Right of First Refusal:

“c. Replacement, Relocation and Right of First Refusal. Funding provided pursuant to the Affordable Housing Program shall be subject to the following conditions:

1. Any funded development on any property that includes a parcel or parcels that currently have residential uses, or within the five years preceding the application for funding have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to Lower Income Households, subject to any other form of rent or price control through a public entity’s valid exercise of its police power, or occupied by Lower Income Households, shall comply with the requirements in California Government Code Section 65915(c)(3), provided, however, that any dwelling units that are or were, subject to a form of rent or price control through

a public entity's valid exercise of its police power and that are or were occupied by a household with income above Lower Income shall be replaced with units affordable to, and occupied by, Lower Income Households. Moreover, replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy or, if the units have been vacated or demolished, those households formerly in occupancy, including Acutely Low, Extremely Low, Very Low, and Low Income Households. If the incomes of the households in occupancy, or formerly in occupancy, are not known, it shall be rebuttably presumed that (a) Extremely Low, Very Low, and Low Income Households occupied these units in the same proportion as the proportion of renter households that are Extremely Low, Very Low, and Low Income Households to all renter households within the City, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and (b) the proportion of Acutely Low Income Households is one-half the proportion of Extremely Low Income Households.

2. If existing occupants must be relocated, for any period of time, the developer is required to provide them relocation benefits pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code and Chapter XV of the Los Angeles Municipal Code, including associated regulations. In order to effectuate the provisions of Chapter 16 of Division 7 of Title 1 of the Government Code, and in addition to all other relocation obligations, the developer shall prepare a relocation plan, and the Department shall require the plan to offer occupants reasonable choices of specifically identified comparable replacement dwellings available at the time of the offer, for which the household qualifies and is appropriate, and which is affordable to the household.

3. In addition to the relocation benefits described above, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development. For Lower Income Households, that unit must be affordable to the household at an affordable rent or an affordable housing cost. If such occupants do not meet the eligibility requirements of one or more funding sources of the new or rehabilitated housing development, or for any other reason do not occupy units in the new or rehabilitated housing development, the occupants shall be given priority in renting or buying housing in other developments funded by the Affordable Housing Program. The

Department shall keep a list of occupants displaced by such developments and may establish reasonable rules for determining the order of priority of those listed.

4. Nothing in this section shall be read to prohibit the City Council from adopting unit replacement requirements, relocation assistance requirements, or right of first refusal requirements that are more protective of displaced occupants than the requirements of this section. Solely for the purpose of Section 22.618.3(d)(1)(i). c. governing replacement, relocation and right of first refusal, “affordable rent” shall have the same meaning as defined in Section 50053 of the California Health and Safety Code, and “affordable housing cost” shall have the same meaning as defined in Section 50052.5 of the California Health and Safety Code.”

#### **5.7 Non-Displacement of Households Whose Incomes Subsequently Exceeded Income Limits**

Please refer to Measure ULA Section 22.618.3(d)(1)(i)(a) - Affordability:

“a. Affordability. All units in a funded project shall be affordable to and occupied by Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, or Low Income Households, except as allowed by Sections 22.618.3(d)(1)(ii). b.4. and 22.618.3(d)(1) (ii).c.4. of this Code. The Department shall adopt a policy to prevent the displacement of households that qualified for a unit upon initial occupancy but thereafter exceed the income limits. Such households may be charged a rent commensurate with their current income levels.”



**EXHIBIT A: ULA ACCELERATOR PLUS REGULATIONS  
NOTICE OF FUNDING AVAILABILITY DOCUMENT  
CHECKLIST**

Applicable items from the following list must be completed and submitted with the application:	For Category A	For Category B
Attachment 1 – Completed UNOFA application and Financial Pro forma	X	X
Attachment 2 – Variance Analysis	X	**
Attachment 3 – Project Labor Agreement Evidenced by Letter of Assent	X	X
Attachment 4 – Excel file of, as applicable, 4% or 9% CTCAC Application		X
Attachment 5 – Evidence of Entitlement Approval/Entitlement Application Submittal	X	X
Attachment 6– Committed Funding Sources – Evidence of Enforceable Commitments	X	X
Attachment 7 – Demonstrate that Project Provides at least 40 Units of Affordable Housing with a Proforma, Entitlement, or Permit Application	X	X
Attachment 8 – Preliminary Title Report dated within 90 days of app deadline; and Evidence of Site Control	***	X
Attachment 9 – Building permits or “Ready to Issue” letter from Los Angeles Department of Building and Safety	X	
Attachment 10 – Self-Certification Form for Compliance to Accessibility Standards	X	X
Attachment 11 – Evidence of secured Project Based Vouchers	X	X
Attachment 12 – Leasing Preference and Proof of Noticing/Delivery for Relocated/Displaced Tenants	X	X
Attachment 13 – Developer Experience Owning and Operating Affordable Housing (Schedule of Projects)		X

\*\*Only required if project has an existing City Soft Loan

\*\*\*Only required if the project has not yet started construction

## **EXHIBIT B: AFFORDABLE HOUSING MANAGED PIPELINE GUIDELINES**

Guidelines attached on the page to follow

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

**AFFORDABLE HOUSING MANAGED PIPELINE  
PROGRAM REGULATIONS, POLICIES, AND PROCEDURES**

**NOTICE OF FUNDING AVAILABILITY**

**September 15, 2022**

# AFFORDABLE HOUSING MANAGED PIPELINE REGULATIONS

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*Note: For Threshold Document Checklist, see the bottom of this document.*

# AFFORDABLE HOUSING MANAGED PIPELINE REGULATIONS

## INTRODUCTION

The City of Los Angeles' goal, through the Affordable Housing Managed Pipeline (AHMP), is to create affordable housing for low and very-low income households within its boundaries. The purpose of these AHMP Regulations, Policies, and Procedures (AHMP 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 of affordable housing.

The housing created through the AHMP is intended to serve all populations identified by the 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). The housing created should not only provide additional housing opportunities, but should also attempt to revitalize neighborhoods and remove blight. Irrespective of the funding scenarios, all projects should seek to leverage limited City funding to the greatest extent possible.

These AHMP Regulations are intended to support the policies of the 9% Low Income Housing Tax Credit (LIHTC) Pipeline Management Plan, as revised.

### **Questions and Technical Assistance**

All questions (including those regarding the AHMP Regulations, or the online system) must be submitted via the "Ask a Question/FAQ" function of the online NOTICE OF FUNDING AVAILABILITY application. This includes requests for any online technical assistance.

To ensure the fair and consistent distribution of information, all questions will be answered in the FAQ Section of the online application. **Questions will not be accepted via email, phone, or by any means other than the online application.** No individual answers will be provided. The FAQ page will be updated on a regular basis to ensure the prompt delivery of information.

### **Submittal Deadlines**

#### *NOTICE OF FUNDING AVAILABILITY ONLINE APPLICATION:*

The deadline to submit applications is 11:59 p.m., on October 25, 2022

The application should include an electronic copy of schematic drawings or conceptual architectural plans (Attachment 2.16 of the online application).

Proposals will be accepted via the online Notice of Funding Availability application only (see Section 2.1). Any modification of forms and templates provided by LAHD is not allowed. Any application and other application-related documents submitted after the deadline will not be accepted for processing. All applicants are encouraged to file their applications as early as possible

to avoid the heavy internet traffic during the day of the application deadline. LAHD reserves the right to waive minor technical deficiencies in the application.

**2022 LAHD AHMP REGULATIONS TIMELINE \***

<b>DESCRIPTION</b>	<b>Tentative Date*</b>
<b>LAHD Final Regulations posted</b>	September 15, 2022
<b>Open Notice of Funding Availability</b>	September 22, 2022
<b>Notice of Funding Availability Bidders' Conference</b>	September 29, 2022
<b>Notice of Funding Availability applications due by 11:59 p.m.</b>	October 25, 2022
<b>List of Applications and Self scores published</b>	October 31, 2022
<b>Appeals Process concluded</b>	January 10, 2022
<b>Final Scores and <u>AHMP</u> Transmittal Released to Mayor's Office</b>	January 26, 2023

**\* The Timeline is subject to change. Any modifications to the Timeline will be posted on the AHMP webpage.**

**SECTION 1  
GENERAL PROVISIONS**

The LAHD, through this NOFA and the AHMP’s 9% LIHTC Pipeline Management Plan intends to solicit, evaluate, select, rank, project-manage and fund the new construction, rehabilitation and/or preservation of multi-family rental housing to address the needs of low and very-low-income households with its public funds and access to LIHTCs.

**1.1 Funds Available and AHMP Master Calendar**

On an annual basis, and as contained in the 9% LIHTC Pipeline Management Plan, the LAHD will make public a forecast of the estimated AHMP revenue available. The amount available for allocation will be determined by the availability of federal, State and/or local funding. Notice of Funding Availability Rounds will be released according to the AHMP Master Calendar as follows:

**2022 AHMP Master Calendar**

<b>AHMP Year</b>	<b>Type of Deadline</b>	<b>CTCAC Application Year</b>
<b>CY 2022</b>		
<u>April 2022</u>	Publish Draft LAHD Regulations	<u>2022-23</u>
<u>May 2022</u>	Public Comment Period	<u>2022-23</u>
<u>August 2022</u>	Council Approval of Regulations (applies to 1 <sup>st</sup> and 2 <sup>nd</sup> NOFA)	<u>2022-23</u>
<u>Sept. 2022</u>	1 <sup>st</sup> Notice of Funding Availability Opens	<u>2022-23</u>
<u>Oct. 2022</u>	1 <sup>st</sup> Notice of Funding Availability – Application Deadline	<u>2022-23</u>
<u>Jan. 2023</u>	1 <sup>st</sup> Notice of Funding Availability - Transmittal	<u>2022-23</u>
<u>TBA</u>	2 <sup>nd</sup> Notice of Funding Availability Opens	<u>2022-23</u>
<u>TBA</u>	2 <sup>st</sup> Notice of Funding Availability – Application Deadline	<u>2022-23</u>
<u>TBA</u>	2 <sup>nd</sup> Notice of Funding Availability - Transmittal	<u>2022-23</u>

**1.2 Housing Type**

Also on an annual basis, and as contained in the 9% LIHTC Pipeline Management Plan, the LAHD will determine what type of housing (target population, affordability, location, etc.) it wants to prioritize. This will determine which types of projects the LAHD will admit into the Pipeline.

Projects submitted under the 9% LIHTC Pipeline Management Plan and its Notice of Funding Availability and administered through these AHMP Regulations shall be structured utilizing one or more of the following funding sources:

1. 9% LIHTC;
2. 4% LIHTC combined with tax-exempt bonds; or
3. Non-LIHTC using other committed public or private sources.

Regardless of the leveraged funding source, all projects are to be underwritten assuming 100% HOME Investment Partnership Program Funds (HOME). LAHD's funds must eventually be used in a manner consistent with the HUD requirements and the AHMP Regulations applicable to the leveraging source(s). Projects that obtain funds from LAHD and require the issuance of bonds must use LAHD as the issuer of those bonds.

### **1.3 Funding Awards and Admittance Terms**

Successful applicants under the Notice of Funding Availability will be tentatively assigned a tax credit round under which to apply and will be required to apply for that proposed leveraging source at that time. To the extent that the project has received approval from LAHD for "Readiness" (*see Section 7*), and if AHMP Funds are available, funding awards will be issued by LAHD prior to a 9% CTCAC Funding Round for which a project has been queued to apply for a tax credit allocation, or prior to a 4% CTCAC/CDLAC Funding Round.

The AHMP admittance term shall be valid for up to 12 months from the date of the LAHD Pipeline Admittance letter. If the project is unsuccessful in obtaining a funding commitment for the proposed leverage funding due to circumstances beyond the developer's control, the AHMP term may be extended for up to 12 additional months. If the project becomes infeasible due to threshold non-compliance, it may be removed from the Pipeline, however, no negative points will be incurred.

### **1.4 Eligible Applicants**

Applicants must comply with LAHD's funding source requirements. Applications will be accepted from non-profit developers, for-profit developers, joint ventures, limited liability corporations, and limited partnerships.

LAHD may deny applications from individuals or entities that have not met current obligations to the City, as identified in LAHD's Business Policy (Section 7.7). 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 based on threshold criteria.



For the purposes of conducting an internal background check by LAHD Staff, applicants must submit a List of Properties (Attachment 2.9.2) and List of Partners and Entities (Attachment 2.9.3). Any delinquencies or other LAHD Business Policy compliance issues must be resolved prior to the issuance of an AHMP funding award.

### **1.5 Eligible Projects**

The LAHD, through the Notice of Funding Availability, will determine, how many and which types of multi-family affordable rental housing developments it will accept for addition into the AHMP.

All multi-family rental housing projects must use the following minimum rent standards for units which are to be assisted with LAHD funding:

- 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;
- A 9%-Low Income Housing Tax Credit (LIHTC) project that includes Low-Income Units targeted at greater than 60% of AMI shall have an average targeting that does not exceed 50% of AMI based on CTCAC's most recent guidelines for the calculation of average targeting;
- A 4%-LIHTC project that includes Low-Income Units targeted at greater than 60% of AMI shall have an average targeting that does not exceed 60% of AMI based on CTCAC's most recent guidelines for the calculation of average targeting;
- For units that are targeted at greater than 60% but not greater than 80% of AMI, LAHD may use Linkage Fee or other non-federal funds, subject to availability of these funds;
- In addition to complying with the HUD HOME rents, CRA-HCD rents, or more restrictive affordability standards, rents for the affordable units must be set at least 10% below market rents in that neighborhood as established by a current independent appraisal or by a market study as required in Section 2.12.1 of these AHMP Regulations;
- Units must also comply with the affordability requirements of the applicant's identified leveraging source, and income targeting must be consistent with the CTCAC regulations. Applicants are required to use the most restrictive rent levels based on the project's funding source/s.

### **1.6 Permanent Supportive Housing Projects**

To compete as a Permanent Supportive Housing project, the proposed development must serve extremely and very low income, chronically homeless special needs individuals and veterans, homeless families, homeless transition-aged youth (TAY), homeless seniors,

homeless disabled and homeless frequent users of Los Angeles County services. At least fifty percent (50%) of the units within the project must contain households who are:

1. Moving from an emergency shelter; or
2. Moving from transitional housing; or
3. Currently homeless, which means:
  - a. An individual who lacks a fixed, regular and adequate nighttime residence;  
or
  - b. An individual who has a primary nighttime residence that is:
    - i. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and Transitional Housing for the mentally ill); or
    - ii. An institution that provides a temporary residence for individuals intended to be institutionalized; or
    - iii. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

In addition, a minimum of 50% of the units reserved for single adults must serve persons with special needs who are chronically homeless. “Chronically homeless” is defined as follows:

(a) Experiencing chronic homelessness as defined in 24 CFR 578.3;

(b) Residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project;

(c) Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined in 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;

(d) Residing in transitional housing funded by a Joint Transitional Housing and Permanent Housing Rapid Re-Housing component project and who were experiencing chronic homelessness as defined in 24 CFR 578.3 prior to entering the project;

(e) Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or

(f) Receiving assistance through the Department of Veterans Affairs (VA)-funded homeless assistance programs and met one of the above criteria at intake to the VA's homeless assistance system.

Units that do not serve single homeless adults are not subject to the above requirement on “persons-with-special-needs-who-are-chronically-homeless.”

As a condition of “Project Readiness,” projects must include a supportive services plan and budget as outlined in Sections 3.3 and 7.15 of these AHMP Regulations. Projects must also have a commitment for sponsor-based or project-based rental assistance for no less than fifty percent (50%) of the units in the proposed project, with a contract term of no less than five (5) years, as evidenced at minimum by a letter of intent from the appropriate governmental entity.

All units must have kitchen facilities which at the minimum, shall include a refrigerator, kitchen sink, stovetop, and storage cabinet and a full bathroom, which at the minimum, shall include a lavatory, toilet, and shower.

Applicants seeking to include units with two or more bedrooms in their Permanent Supportive Housing project/s shall submit a written evidence issued by the Los Angeles Homeless Services Agency (LAHSA) that they can provide a sufficient number of referrals through the Family Coordinated Entry System for the Service Planning Area in which the project is located to reasonably fill those units within nine (9) months of completion (Attachment 2.15).

Projects will be required to receive applicant referrals from applicable County Departments and will be required to collaborate with the County Departments on the final supportive services plan to serve this population. Applicants are encouraged to complete as much of the supportive services plan as possible and should indicate in it that they will collaborate with the County Departments on the final supportive services plan.

*NOTE: While the County Departments are committed to collaborating with projects serving chronically homeless individuals with special needs on supportive service plans to serve this population, it is understood that some projects may serve more than one population and the County Departments would seek to collaborate with projects to coordinate supportive services across the various populations as much as is feasible.*

Where discrepancies exist between these AHMP Regulations and HACLA’s PBV Notice of Funding Availability requirements, HACLA requirements will prevail.

## **1.7 Eligible Activities**

Specific eligible activities are prescribed by LAHD's funding sources. AHMP Regulations vary by type of developer (for-profit or non-profit), funding source, and other sources of project financing present in the project. LAHD funds can generally be used for acquisition, predevelopment reimbursement, and rehabilitation or construction related costs. **The AHMP will not provide financing for the purpose of acquisition only or for the sole purpose of refinancing existing debt.**

Funds are available for:

- Acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs and relocation expenses.
- Construction and permanent financing expenses including demolition, off-site public improvements, construction bonds, general contractor and subcontractor payments including overhead, profit and general conditions.

Any net reduction in the number of units must be necessary to improve habitability or marketability of the project. However, if a new construction project entails relocation or permanent displacement, at minimum, the project must net 100% more units (i.e., double) than the amount to be demolished.

Where refinancing is necessary to preserve an existing 100% affordable project, the applicant must demonstrate that:

- Rehabilitation is the primary eligible activity and that the hard costs of rehabilitation are at least \$40,000 per unit;
- The property is in distress and disinvestment has not occurred;
- The long term needs of the project can be met and the feasibility of serving the targeted population over an extended affordability period can be demonstrated;
- The new investment is being made to maintain current affordable units, create additional affordable units, or both;

## **1.8 Ineligible Activities**

Ineligible Activities include:

- Applying for AHMP awards for the sole or partial purpose of repayment of a current City or non-City residual receipts or “soft” loan;
- Reapplying for AHMP awards for the same proposed project using another source of leveraging while an AHMP commitment is still outstanding;
- Payment for the relocation of persons engaging in criminal activity or persons not lawfully present in the United States based on HUD’s 49 CFR 24.2 and 49 CFR 24.208;
- The payment of delinquent taxes, fees or charges on properties to be assisted with HOME funds;

- The repayment of multifamily loans made or insured by any federal program, including CDBG;
- Financing for the purpose of acquisition only or for the sole purpose of refinancing existing debt;
- Capitalization of any kind of project reserves using City funds (i.e. HOME, CDBG, CRA/LA or HOPWA Funds).

## **1.9 Density Bonus, Land Use Covenant**

Projects that are approved under Section 12.22 A.25 of the Planning and Zoning Code (*including parking reductions*) may implement the State’s Density Bonus Law (SB 1818) which sets forth provisions and procedures for housing developments to receive a density bonus and other incentives, provided a requisite number of replacement units in accordance with the State Senate Bill # 8 and dwelling units are set aside for Low or Very-Low-Income Households as defined by Sections 50079.5 and 50105, and Extremely Low-Income Households as defined by Section 50106 of the California Health and Safety Code. These rent limits are based on income limits published by HCD and are lower than IRS Code Section 42 LIHTC (CTCAC) rent limits. Applications for projects seeking a Density Bonus, including reduced parking or any other incentives, must be consistent with the rent limits published by the HCD.

**Applicants are strongly advised to confirm the requirements with LAHD’s Occupancy Monitoring and Land Use Sections prior to submitting an application under these AHMP Regulations.**

The LAHD's Land Use Section can be reached [LAHD-Landuse@lacity.org](mailto:LAHD-Landuse@lacity.org).

## **1.10 Loan Terms and Conditions**

**1.10.1 Type** - Acquisition, Predevelopment and Construction or Permanent Financing only.

**1.10.2 Interest Rate** - The interest rate for all loans is Four Percent (4%) simple interest. LAHD reserves the right to negotiate a higher or lower interest rate if it is found to be beneficial to the project. Any amount not paid by Borrower when due shall bear interest from the date due to the date paid at the rate of fifteen percent (15%) per annum (“Late Payment Rate”).

**1.10.3 Calculation of Interest** - Simple interest will be calculated on the loan amount outstanding and based upon a 365-day year, and actual number of days elapsed.

## **1.10.4 Payment of Interest**

### **1.10.4.1 Payment of Interest During Construction**

During the period of construction, 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 Certificate of Occupancy ("Construction Period Accrued Interest"). This Construction Period Accrued Interest shall be due and payable to no later than 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 Interest is a condition required prior to conversion of the LAHD loan from a construction loan to a permanent loan.

### **1.10.4.1 Payment of Interest After Completion of Construction**

Thereafter, payment 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 will shall be deferred. Principal and interest shall be due at maturity of the loan. However, principal and interest shall be repaid if there are adequate cash flow after the Allowable Deductions are made (Section 1.10.10).

**1.10.5 Term** – Fifty-Seven (57) Years (i.e. a 24-month construction period plus 55 year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined to be necessary for financial feasibility.

**1.10.6 Conditions for Conversion** – LAHD will not allow a construction loan to convert to a permanent loan unless the following conditions are met:

- 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;
- Achievement of 90% occupancy and 100% occupancy of accessible units by tenants who need the features of those units;
- LAHD receipt of complete rent rolls;
- Evidence of application for property tax abatement if original proforma contemplated tax abatement;
- Evidence that any conventional debt for the project has closed or will close concurrently;
- Payment of the accrued construction period interest on LAHD's Acquisition-Predevelopment/Construction Loan that shall have accrued during construction period (applicable to projects that will be included in the Pipeline beginning 2015 and thereafter).

- LAHD’s acceptance of a Final Accessibility Report from a State-Certified Access Specialist Program consultant (CASp);
- Verification of Compliance for the Development has been issued by the Neutral Accessibility Consultant (NAC);
- LAHD’s receipt of the draft cost certification prepared by an independent Certified Public Accountant or accounting firm, under generally accepted auditing standards.

**1.10.7 Leasing Preference and Relocated/Displaced Tenants**

The applicant/developer is 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 NOFA application.

**1.10.7.1 Leasing Preference - Permanent Supportive Projects**

For AHMP-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. 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.

The County Departments will be responsible for developing and managing the client referral process into all of the housing PBV units set aside for this population at initial lease-up and subsequent unit turnover.

The Los Angeles Homeless Services Authority (LAHSA), Los Angeles County departments of Health Services (DHS) and of Mental Health (DMH) have developed the Coordinated Entry Systems (CES) to ensure that high acuity chronically homeless persons are prioritized for housing. In units designated for homeless individuals, projects shall use CES or similar systems to preference vulnerable population. Projects that are not Permanent Supportive Housing Projects may request to use coordinated entry or similar system to serve the homeless, subject to the discretion and approval of LAHD.

**1.10.8 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 AHMP application must receive LAHD's written approval; otherwise, LAHD reserves the right to withdraw its commitment. In the event misrepresentations are made regarding either the borrowing entity or the project, LAHD's commitment will be cancelled.

**1.10.9 Equity Share**

Upon an Event of Default, LAHD is entitled to its equity share upon the sale of the property. LAHD shall be entitled to a share in any appreciation that has occurred between the acquisition and the time of the sale. LAHD's share in the appreciation will be equal to the proportion of the LAHD loan funds used in the purchase of the property or the amount of LAHD loan funds used to repay an acquisition bridge loan. This section shall apply until construction has been completed and a Notice of Completion has been issued.

**1.10.10 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 its 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 its pro-rata share of the residual receipts based on the LAHD's amount of funds versus the total of all funds from all agencies. The Allowable Deductions from the cash flow shall be as follows (1) operating expenses calculated on an accrual basis; (2) debt service on senior project debt; (3) payments to the operating reserve fund; (4) payments to the replacement reserve fund; (5) actual deposits to the supportive services reserve fund; (6) repayment of General Partner Operating loan/s; (7) payment of deferred developer fees excluding any interest; and (8) payment of related party/third party fee up to fifteen thousand dollars (\$15,000) for projects that are included in the Pipeline prior to January 31, 2016; and twenty five thousand dollars (\$25,000) for projects that are admitted into the Pipeline on or after January 31, 2016.\* LAHD does not allow any other fees to be deducted prior to payment of residual receipts to the LAHD.

*\* For projects that are included in the Pipeline prior to January 31, 2016, the maximum allowable pre-approved related party/third party fee is up to fifteen thousand dollars (\$15,000) with no annual increase. For projects that are admitted into the Pipeline on or after January 31, 2016, the maximum allowable pre-approved related party/third party fee is up to Twenty-five thousand dollars (\$25,000), with an increase of 3.5% compounded annually. This fee must be substantiated prior to the closing of the loan by the developer and cannot*



*include charges for any office overhead for the development of the project or project operating expenses.*

**1.10.11 Security**

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

**1.10.12 Subordination**

The LAHD may, at its discretion, subordinate repayment, security positions and affordability covenants to a conventional lender or other public agency lender.

**1.10.13 Affordability Covenant/Regulatory Agreement**

For all proposed projects, the required term of the affordability covenant will be fifty-five (55) years from the completion of construction, or the maximum required by CTCAC, HCD, HUD or CDLAC, whichever is longer. The affordability covenant remains in effect for no less than the agreed-upon term, regardless of the date upon which the LAHD loan is fully repaid.

**1.10.14 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 the proposed project within the time agreed;
- Breach of rental covenants;
- Failure to maintain the property;
- 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 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;
- 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 3.7 of AHMP Regulations.

### **1.11 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 all projects funded under these AHMP Regulations assume federal funds, the environmental review process and clearance must meet NEPA standards. Therefore, the applicant shall not undertake or commit any funds to physical or choice-limiting actions, including further property acquisition, demolition, movement, rehabilitation, repair or construction prior to receiving a NEPA environmental clearance from LAHD. 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 a Release of Funds from HUD under 24 CFR Part 58.

### **1.12 Other Public Benefit Requirements**

#### **1.12.1 Section 3 (Local Hiring); Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Requirements**

Applicants utilizing LAHD 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.

**1.12.2 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>
1200 W. 7 <sup>th</sup> Street, 8th Floor
Los Angeles, CA 90017
Telephone: (213) 922-9627
Email: <a href="mailto:lahd-article34@lacity.org">lahd-article34@lacity.org</a>

Also, LAHD will issue an Article 34 letter for projects that are admitted into the AHMP whenever the Department receives a request from its project sponsor for such a letter. Prior to a TCAC deadline during the “Readiness” stage, LAHD will also issue this letter and including the relevant approval forms that are required in a TCAC application funding round.

**1.13 Property Management**

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, or that the property management company is not acting in good faith, LAHD may require a change in the property management provider. Prior to completion of construction, developer 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.

**1.14 Amendment and Modification Fees**

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

**1.15 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 its commercial component that are separate from its residential component. The financial proforma shall include cash flow projection for residential and commercial space. The income from the residential portion of the project shall not be used to support the negative cash flow of its commercial portion. Similarly, the income from the commercial portion shall not support the negative cash flow of the residential portion.

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.

**1.16 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).

**1.17 Building Permits**

As a condition of closing LAHD loans in 9% or 4% LIHTC projects, LAHD will accept a "Ready-To-Issue" letter issued by the Los Angeles Department of Building and Safety, in lieu of a building permit, only if no AHMP Funds are disbursed for acquisition. However, if LAHD funds are disbursed to pay for acquisition, then LAHD will require a building permit at LAHD loan closing.

**1.18 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 AHMP policies and guidelines for this Ordinance are outlined in Exhibit 09.

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 09.

**1.19 Set-Aside and/or Housing Type Selection**

For minimum threshold, scoring, and selection purposes, LAHD shall use the project's Set-Aside and/or Housing Type Selection/s as indicated in the completed online application submitted at the time of the NOFA application.

**1.20 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 only 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.

In addition, under the California Unruh Civil Rights Act, to qualify as a senior community, CC&Rs must state that at least one person in the dwelling must be a senior citizen, i.e., a qualified permanent resident (55 years of age or older or 62 years of age or older depending on the category of the senior community) and that each other resident in the same dwelling must be a qualified permanent resident. A "qualified permanent resident" is defined as someone who is residing with the qualifying resident in a senior citizen community is 45 years of age or older, or was a spouse, or cohabitant providing physical or economic support to the qualifying resident. Underage health care providers also are allowed to live with the senior resident. Also, a person under 55 years of age can reside alone in a senior project as California Civil Code §51.3 states that a qualified permanent resident is entitled to continue his or her occupancy, residency or use of the dwelling as a permitted resident upon the death of the senior citizen or dissolution of his or her marriage, or upon the senior citizen's hospitalization, or other prolonged periods of illness. Once properly established, age restrictions are enforceable through the courts.

## SECTION 2 THRESHOLD REQUIREMENTS

For applications to be considered complete, all applicable items in the Support Documents tab must be submitted. Proposed projects must meet the minimum Notice of Funding Availability threshold requirements for new construction and/or rehabilitation projects. If an application does not meet these threshold requirements, it will not be considered for acceptance into the AHMP. 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.

### **2.1 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, i.e. 9% LIHTCs, 4% LIHTCs, and non-LIHTCs.

#### **2.1.1 – Supplemental AHSC Workbook**

In addition to the 9% or 4% LIHTC Application, if the applicant/developer will be applying for State AHSC Funds, a completed supplemental AHSC workbook is required (Attachment 2.1.1).

Applicable attachments for the leveraging source application are not required at Notice of Funding Availability application. However, the applicant must submit an executed Self-Certification Statement (Attachment\_2.5) indicating that the affordable housing development can achieve the maximum points based on the scoring system of the most recently adopted CTCAC Regulations.

### **2.2 Preliminary Title Report and Site Control**

#### **2.2.1 Demonstration of Site Control**

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. (Attachment\_2.2)

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:

- Fee title as demonstrated by a current title report;
- Long-term leasehold interest (minimum term must equal the term of LAHD regulatory agreement);
- Option to purchase or lease (obtaining financing shall be the sole impediment to exercising the option);

- Executed land sale contract or other enforceable agreement for acquisition of the property;
- An executed Disposition and Development Agreement (DDA) with a public agency (e.g., the Community Redevelopment Agency);
- 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:
  - 1) a fully-executed DDA; or
  - 2) an Option to Lease or an alternative document that meets CTCAC’s site control requirement; or
  - 3) 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.
- 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.

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 HCID 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 Pipeline 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.

### **2.2.2 Proof of Voluntary Acquisition**

Voluntary Acquisition Letters (Attachment\_2.2.2) with acceptable proof of service in accordance with Section 1.10.7, must be submitted at the time of Notice of Funding Availability application.

AHMP commitments assume the use of federal funds. Therefore, each purchase option or purchase agreement submitted in fulfillment of this threshold requirement must contain an acknowledgment that even though government funds may be used in the acquisition of the property, the property will not be acquired through the use of eminent domain.

If the site control for a proposed project is a long-term lease of at least 50 years with a public agency, then a Voluntary Acquisition Letter is required from that public agency at NOFA application, in accordance with HUD's Uniform Relocation Act.

Regardless of whether relocation is involved, documentation regarding the voluntary acquisition of the property must be submitted as part of the AHMP application. Proof of voluntary acquisition shall consist of a letter typewritten on the Developer's/Applicant's letterhead and addressed to the seller/previous property owner, stating that the Developer/Applicant is interested in acquiring the property for a proposed project that may receive funding assistance from HUD, but that the Developer/Applicant does not have the authority to acquire the property through eminent domain. The letter must also include the offer amount, which must be representative of the current market value.

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 the 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 Notice of Funding Availability 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.

For properties that were acquired via a ground lease from an agency with the powers of eminent domain, acquisition information from the agency will be required prior to loan closing.

Applications not meeting the above criteria will be automatically rejected and will not be considered for further review during the current Notice of Funding Availability. Applications can be re-submitted in a future Notice of Funding Availability.



### **2.2.3 General Information Notices**

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) (Attachment 2.2.3) as soon as feasible. For the purposes of these AHMP Regulations, the term “as soon as feasible” is defined as the date that the applicant 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 (refer to Section 1.10.7), be submitted with the Notice of Funding Availability application. 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 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 Notice of Funding Availability or the chosen leveraging source(s), all GINs must be rescinded.

### **2.3 Meeting Cost Parameters**

Project development costs shall be reasonable as measured by the project’s Total Eligible Basis to its Total Adjusted Threshold Basis Limits, pursuant to the most current CTCAC regulations. A project shall be designated “high cost” if its Total Eligible Basis exceeds its Total Threshold Basis Limits by 30%. Applications that are designated as “high cost” shall be rejected and will not be considered for further review during the current Notice of Funding Availability.

### **2.4 Maximum Proposed LAHD Contribution**

The affordable housing development must not propose City-administered permanent financing in excess of those outlined in the tables below. Applications not meeting this criterion will be automatically rejected and will not be considered for further review during the current Notice of Funding Availability. Maximum subsidy may only be calculated for those eligible units in accordance with Section 1.5 of these regulations. Any manager/s unit is excluded from this calculation. The maximum LAHD loan available to any one project is the lesser of \$14 million or 50% of the Total Development Costs of the project based on final costs at the time of loan closing. In aggregate, the total outstanding loan amount to any one applicant, developer or general partner, may not exceed 5% of its LAHD's loan portfolio balance.

	Maximum LAHD Subsidy		
	9% LIHTC Senior, or Large-Family Projects, or non-LIHTC	9% LIHTC Supportive Housing/ Special Needs Projects, or Incentivized Extremely Low-Income Units *	4% LIHTC + Tax-Exempt Bond Projects
0 bedroom	\$87,843	\$126,000	\$140,000
1 bedroom	\$96,978	\$135,450	\$140,000
2 bedroom	\$107,478	\$140,000	\$140,000
3+ bedroom	\$112,728	\$140,000	\$140,000

*Note: \* These subsidy limits are applicable only to projects with units that are above the minimum 10% of the CTCAC ELI (see Section 5.3.2 on incentivized ELI units), and to Supportive Housing/ Special Needs projects.*

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.

**2.5 Applicant’s/Borrower’s Certification Statement Form**

The applicant/developer shall complete the “Applicant Certification Statement” section of the UNOFA application, and 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 may provide this information on their own form and submit as Attachment 2.5.

For 9% LIHTC projects, the applicant/developer must self-certify (Attachment\_2.5) that the affordable housing development can score the maximum points in the most recently released CTCAC application within the 24 months following the Notice of Funding Availability application deadline. This includes, but is not limited to, the “Readiness” section of the CTCAC application. LAHD is concerned that projects needing a zone change through a General Plan amendment, or similar entitlement work, will not be likely to meet this criterion. Applications not meeting this criterion will be automatically rejected and will not be considered for further review during the current Notice of Funding Availability. For projects proposing to use 4% LIHTC and Tax-Exempt Bonds, please refer to Section 2.18 below.

**2.6 Maximum Number of Projects Per Developer**

In order to (1) expand and maintain developer capacity, (2) maximize product and developer diversity and (3) minimize developer concentration risk, LAHD will cap the number of developments one entity can participate in, at any percent of ownership interest or in any contractual form, at any one time.

The maximum number of developments that one entity or its subsidiary(ies) can be in the AHMP Pipeline at any one time is seven (7), of which a maximum of four (4) can be in pre-construction and a maximum of five (5) can be in construction and/or up to Ready for Occupancy, as defined further below. This limit applies to developments that are directly funded with resources from the LAHD programs, e.g. funds from HOME, Prop HHH, Linkage fee, SB 2, etc. Developments which do not involve direct LAHD funding, such as tax-exempt bonds, or State funds such as AHSC or Infill, will not count towards the maximum limit.

Participation is defined as (1) any percentage ownership in a current or future limited partnership, LLC or their equivalent, or (2) receipt of more than 10% of the total developer fee in a current or future limited partnership, LLC or their equivalent where the party does not have an ownership interest. Participation starts at initial application and ends at “Ready-for-Occupancy”. “Ready-for Occupancy” shall be defined as a milestone as evidenced by a Temporary Certificate of Occupancy or similar approval.

Applications not meeting this criterion will be automatically rejected and will not be considered for further review during the current Notice of Funding Availability. Applications can be re-submitted in a future Notice of Funding Availability. In aggregate, the total outstanding loan amount to any one applicant, developer or general partner, may not exceed 5% of its LAHD's loan portfolio balance.

In recognition that there may be entities that currently exceed the maximum cap, LAHD will allow an entity to submit for any development that is ready to apply, provided however, that the entity is able to identify and show to LAHD’s satisfaction that the entity will have proceeded to move forward one or more of its projects that are covered under the cap through the projects’ respective development phases, by the time the new development achieves “Readiness” and is queued to apply to TCAC in March 2023, so that the entity will still meet the maximum projects cap even with the addition of new project/s to its participation count.

## **2.6.1 Compliance with LAHD Asset Management, Accessible Housing Program, and Rent Stabilization Divisions**

In consideration of the early timing of the application and project review, LAHD’s Portfolio Management and Occupancy Monitoring units will apply the following threshold criteria:

### **2.6.1.1 Portfolio Management**

For each proposed developer and/or sponsor, LAHD must not be owed more than \$10,000 in residual receipts or other fees from its entire portfolio.

### **2.6.1.2 Occupancy Monitoring**

Applicants will be allowed to pass threshold if they 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. 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.

#### **2.6.1.3 Compliance with Accessible Housing Program**

Covered Housing Projects of the Accessible Housing Program 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.

Applications not meeting this criterion will be automatically rejected and will not be considered for further review during the current Notice of Funding Availability.

#### **2.6.1.4 List of Properties**

Applicants shall submit with the Notice of Funding Availability application, a list of all residential income properties when the following are true: 1) the properties are owned by the applicant, 2) the properties are owned by any of the applicants' partners, or 3) the properties are those in which any of the applicants' principals have a vested interest in them. If one of those properties has substandard or untenable units, the application will not be reviewed until the deficiencies are corrected. If deficiencies are not resolved, the application will be denied for failure to meet threshold criteria. (Attachment\_2.6.1.4)

### **2.7 Intentionally Left Blank**

### **2.8 Minimum Level of Equity**

A minimum of 20% equity (i.e., 20% of the Total Development Cost), monetary and non-monetary, is required for all projects, of which half could be contributed land value. LAHD will verify equity contribution by using the attachment submitted under Section 2.1. To demonstrate land contribution as equity, land contribution agreement shall be submitted as Attachment 2.8.

### **2.9 Organizational Documentation and Self-Certification Statements**

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 AHMP Regulations.

The following documents must be submitted at the time of Notice of Funding Availability application:

1. An organizational chart of the proposed ownership structure;
2. See Attachment\_2.6.1.4\_List of Properties;
3. List of Entities and Names of Partners;

4. LAHD Credit Check Authorization;
5. List of Board of Directors dated and executed within 90 days prior to the application;
6. Applicant's/Borrower's Certification Statement, see Attachment 2.5;
7. Board Resolution or Evidence of Consent from Majority Partnership Interest.

Applicants shall submit with the Notice of Funding Availability application, a list of all residential income properties that are owned by the applicant/developer/s, and or/general partner/s and shall submit this list under Section 2.6.1.4.

For the purposes of the Notice of Funding Availability application submittal, 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:

- a. Authorization to participate in the Notice of Funding Availability;
- b. 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; and,
- c. 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 AHMP Loan Closing, an updated Resolution will be required to include a loan amount.

## **2.10 Environmental Review and Historic Preservation**

The following items must be submitted with the Notice of Funding Availability application:

- Dated color photographs of the entire project site and all properties surrounding the project site. If there are buildings on the site, all sides of the building(s) shall be included (Attachment 2.10);
- A project description that includes information on whether the project area and environs contain any properties listed on the National Register of Historic Places, the State of California inventory of historic places, or local inventory of historic places (Provide response under Question 6 of LAHD "Narrative" tab);
- Whether there are properties that appear to be historic within the boundaries or within a ½ mile radius of the project. (Provide response under Question 6 of LAHD "Narrative" tab).

## **2.11 Minimum Feasibility**

All projects must demonstrate financial viability supported by a development budget with a 15-year cash flow proforma which shows positive cash flow and a debt coverage ratio as described in Section 10327(g)(6) of the most recent CTCAC Regulations. Projects must use the respective underwriting criteria required by the identified leveraging source, in combination with LAHD guidelines detailed in Part 3 of these AHMP Regulations.

Financial Proformas must be submitted with the application as Attachment 2.1 per Section 2.1 of the regulations, using the UNOFA Proforma workbook template that is in Excel format. Scanned copies (or PDF) shall not be accepted.

## **2.12 Reports**

### **2.12.1 Appraisals**

All applicants shall provide an “as-is” appraisal with a date of value 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. LAHD shall not accept a property valuation based on “highest and best use” or “as-built” 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. (Attachment\_2.12.1)

LAHD will also accept government-procured appraisal reports that are needed to determine the purchase price of land for an Exclusive Negotiation Agreement (ENA), Joint Development Agreement (JDA), Disposition and Development Agreement (DDA), or a ground lease payment in a Ground Lease. In such cases, LAHD will accept a disclaimer that the purchase price or lease payment is subject to a future appraisal. However, if the project’s development budget at construction loan closing reflects a different purchase price as compared to the price at application, before LAHD can move forward with the loan closing, project sponsors shall submit an explanation for the purchase price differential. If there is an increase in the purchase price, LAHD will also require an explanation on how the price increase will be financed with non-LAHD funds.

For rehabilitation projects, the value of the land and improvements shall be underwritten using the lesser amount of the purchase price or the “as is” appraised value of the subject property and its existing improvements without consideration of the future use of the property as rent restricted housing except if the property has existing long term rent restrictions that affect the as-is value of the property. The land value shall be based upon an “as if vacant” value.

The site value is to be estimated without considering any additional value that may be attributable to any low income housing tax credits or other tax benefits the project will receive. All relevant and reliable approaches to value are to be used. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser’s opinion of value. A description of comparable sales shall include all relevant physical, legal, and economic factors such as parties to the transaction, source and method. The appraisal may not determine property value based solely on sales comparable of properties financed by public agencies.

If a land is donated or leased from a public agency, an “as-is” appraisal is required at the application deadline and shall be prepared within six (6) months of 1) the transfer of ownership or 2) the Notice of Funding Availability application deadline, whichever comes first.

### **2.12.2 Phase I Environmental Assessment or Phase I with Required Phase II**

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 six months prior to the date of the application deadline. If a project's Phase I Environmental Assessment indicates the need for further assessment, a Phase II report must be submitted. The applicant must include a cost estimate for any required remediation. (Attachment\_2.12.2)

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 six months prior to the application date, 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 submittal.

### **2.12.3 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. (Attachment\_2.12.3)

## **2.13 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 (Attachment\_2.13). By doing so, the applicant acknowledges understanding of an agreement with the following provisions that will be required at the time of contract negotiations:

**2.13.1 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.

**2.13.2 Insurance:** The chosen contractor(s) must provide evidence of minimum insurance coverage requirements.

**2.13.3 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.

**2.13.4 Equal Benefits Ordinance (EBO):** The chosen contractor(s) must be certified as complying 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.

**2.13.5 Certifications:** Applicant(s) shall provide copies of the following documents to the LAHD:

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



accuracy of the information contained in any Disclosure Form previously filed by the Contractor(s).

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

**2.13.7 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.

**2.14 Affordable Housing Entitlement Self-Certification Form**

The applicant/developer must demonstrate to LAHD's satisfaction that the project as proposed will be able to meet all zoning and land use requirements prior to the issuance of an LAHD funding commitment. These include, but are not limited to, general plan amendments, re-zonings and conditional use permits. LAHD will consult with the Los Angeles City Planning Department to verify whether the project as stated is appropriately zoned and in compliance with all zoning requirements and local land use ordinances. If a condition or requirement is pending, the project will be disqualified for failure to meet threshold criteria unless a public hearing is waived or scheduled prior to the issuance of an LAHD funding commitment. For the purposes of the Notice of Funding Availability application, a completed Affordable Housing Entitlement Self-Certification form is required (Attachment 2.14). The Density Calculation section in Item 4A and B, on page 2 and 3 of this form states that when calculating the Base Density by-right per Zoning Code 12.22A25, applicants shall round down. In addition, when calculating the Maximum Allowable Density Bonus Units and Restricted Affordable Units, applicant shall round up. The Density Bonus and Restricted Affordable units are calculated from the Base Density number.

Applicants proposing to avail of the Transit Oriented Communities (TOC) Affordable Housing Incentive Program for entitlement incentives (e.g. residential density, floor area ratio, parking, etc.) shall submit, in addition to the Affordable Housing Entitlement Self-Certification form, a completed form under Att\_2.14(2) using a template provided from the on-line application webpage. Applicants who are not availing of incentives from the TOC are not required to submit a completed form.

**2.15 Letter from LAHSA pertaining to Family CES**

Applicants seeking to include units with two or more bedrooms in their Permanent Supportive Housing project/s shall submit a written evidence issued by the Los Angeles Homeless Services Agency (LAHSA) that they can provide a sufficient number of referrals through the Family Coordinated Entry System (CES) for the Service Planning Area in which the project is located to reasonably fill those units within nine (9) months of completion (Attachment 2.15).

## **2.16 Conceptual Architectural Plans or Schematics**

At minimum, a Conceptual Design Submittal package is required with the application (Attachment 2.16). For additional information regarding Architectural Design Review and submittal requirements, refer to Exhibit 01.

In addition to the Architectural Design requirements that are contained in Exhibit 01, the following are the minimum threshold requirements for living space dimensions for each unit size:

- SROs – minimum of 200 sq. ft., and a maximum of 500 sq. ft.;
- 1-bedrooms – minimum of 450 sq. ft.;
- 2-bedrooms – minimum of 700 sq. ft.;
- 3-bedrooms – minimum of 900 sq. ft.;
- 4-bedrooms – minimum of 1,100 sq. ft.

For the purpose of this subsection, SRO units are efficiency units or studio units that may include a complete private bath and kitchen but generally do not have a separate bedroom, unless the configuration of an already existing building being proposed to be used for an SRO dictates otherwise.

## **2.17 Competitive Criteria Self-Score Form and Minimum Competitive Score**

A completed Self-Score Form for Competitive Criteria – Points System, is required at Notice of Funding Availability application deadline (Attachment 2.17).

**Proposed affordable housing developments must score a minimum of thirty-five (35) Competitive Criteria points** under the AHMP Regulations Scoring Criteria, in order to be considered into the Pipeline (Attachment 2.17).

## **2.18 Lowest Income of CTCAC Application, Points System Tab - Section E – For 9% LIHTC, 4% LIHTC-Bond Projects, or non-LIHTC Projects**

If an application is proposing a 9% LIHTC, or a Tax Exempt Bond/4% LIHTC financing structure, or a non-LIHTC with non-City controlled commitment(s) of private source(s), a completed copy of Section D(2) Lowest Income for 10% from the Points System tab of the CTCAC 9% Competitive Tax Credit Application, is required and must demonstrate that the project is able to attain a minimum point score of: 1) fifty-two (52) points for 9% LIHTC projects, or 2) forty (40) points for Tax Exempt Bond/4% LIHTC or non-LIHTC projects, under the Lowest Income Points Table in Section 10325(7) of the CTCAC Regulations. Applications that have a Lowest Income Point Score that is less than the minimum points as specified above, will fail to meet the minimum threshold requirement and shall be declined. (Attachment 2.18).

## **2.19 Single Application Requirement**

Only one application per project, containing only one financing structure, will be accepted by LAHD. For example, when an application on a project using a 9% Tax Credit structure is submitted concurrently with a separate application using a Tax Exempt Bonds/4% LIHTC structure on a same project, LAHD shall reject both applications and shall not consider the project for acceptance into the Pipeline.

## 2.20 **Relocation**

Permanent displacement of the project site's residents is to be minimized. If a new construction project entails residential relocation or permanent displacement, the project must net a minimum of 100% more residential units (i.e., double) than the amount proposed to be demolished.

Demolition and replacement of single room occupancy (SRO) Residential Hotel units will be permitted if 1) the project is economically non-viable, physically obsolete or severely distressed and 2) after consultation with residents, 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, provided that a nonprofit entity retains ownership or control of the units to preserve their long-term renewable use and affordability restrictions; 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 must be conducted before submitting a funding application. This written assessment and a Relocation Plan must be submitted during NOFA application.

The Relocation Project Summary Assessment form (Attachment 2.20.4) 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.

Before any relocation activities can be carried out, the applicant shall obtain from LAHD a written approval of the relocation plan. The written approval should state that the relocation plan has been reviewed and accepted by LAHD. Upon acceptance, the relocation plan shall be implemented by a qualified relocation consultant. At a minimum, the relocation plan must include:

- A reasonable cost estimate that includes underlying assumptions (housing assistance payment, moving expenses, and other allowable expenses);
- Identification of the number of households or businesses to be displaced;
- A current rent roll as of the date of the project's NOFA application;
- Samples of the required relocation notices;
- A description of the proposed advisory services to be provided to the displaced households/businesses; and,
- Projected dates for 1) issuance of required notices; 2) claim payments; 3) tenant move out.

The relocation assessment must be completed by a qualified relocation consultant and must include a detailed cost estimate in conformance with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (**Uniform Act**), other HUD requirements including **Section 104(d)** of the Housing and Community Development Act, and/or California Code of Regulations (CCR), Title 25, Section 6038.

All projects will be required to adhere to the Uniform Acquisition and Relocation Act of 1970 (URA), Section 104(d) of the Housing and Community Development Act of 1974, amended, and/or the City of Los Angeles' Rent Stabilization Ordinance (RSO) and/or Title 1, Division 7, Chapter 16 of the Government Code, commencing at Section 7260, and Subchapter 1 of Chapter 6 of Title 25 of the California Code of Regulations, commencing at Section 6000, whichever is applicable to each individual household and is most financially beneficial to the individual household. Please note that at a minimum, the State relocation benefits amount must be provided to each qualifying household where the federally-prescribed relocation assistance amounts are less than the current RSO-prescribed amount. However, federal funds that are granted through these AHMP Regulations can only reimburse relocation costs that are supportable by URA and Section 104(d) Regulations.

Applicants shall submit the following minimum threshold documents:

1. Relocation plan – Att\_2.20(1);
2. Resume/Qualifications of the Relocation Consultant – Att\_2.20(2);
3. A completed Relocation Tenant Rent Roll as of the date of the project's NOFA application – Att\_2.20(3);
4. Completed Project Summary Assessment form pertaining to Relocation – Att\_2.20(4).

**2.21 Minimum Budget for “Furniture” in Special Needs/ Supportive Housing Units**

Applicants must include costs to furnish all Special Needs (SN) and/or Supportive Housing (SH) units in the proposed development budget. The minimum amount for the “Furniture” line item in the budget is \$3,000 per furnished unit. This minimum requirement applies to SN and/or SH units only and not to the entire project. At a minimum, the budget should provide for a bed, dresser, a lamp, and a dining table with at least two (2) chairs per unit.

**2.22 Minimum CTCAC Final Tie-Break Scores for 9% CTCAC 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.

**2.23 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.

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.

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 (Attachment 2.23).

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

- 1) The general partners acknowledge that the NEPA Clearance will not be issued within ninety (90) days of the project's admittance into the Pipeline; and,
- 2) The soils report will be submitted to LAHD ninety (90) days prior to the CTCAC application deadline.

#### **2.24 Self-certification for Compliance to Access Standards**

All applicants/developers shall complete and submit a signed Access Compliance Certification Form (CFC) with the Notice of Funding Availability Application (Attachment 2.24), 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, four percent (4%) of the total number of units in each development shall be accessible to persons with sensory impairments and eleven percent (11%) of the total number of units in each development shall be accessible to persons with mobility impairments. During loan closings where new regulations for CDLAC/CTCAC require an increase the number of required units, then projects that are admitted into the AHMP and/or funded by LAHD shall meet the most restrictive requirement in building the project.

#### **2.25 Construction Cost Estimating Requirements**

All applicants to the NOFA shall submit a construction cost estimate prepared by a third-party licensed general contractor or an independent third-party construction cost estimating firm ("cost estimator"). The construction cost estimate shall include a certification affirming that the project's scope and construction costs are within the stated budget, and that the construction cost estimate of the project is accurate. This certification shall be dated and signed by the same third-party licensed general contractor or an independent third-party construction cost estimating firm and submitted as Attachment 2.25. For guidelines on the maximum amount of General Contractor Overhead, Profit, and General Conditions, see Section 3.7.7.1 of the AHMP Regulations.

**SECTION 3**  
**UNDERWRITING, COST AND PRICING GUIDELINES**

**3.1 Replacement Reserve**

A minimum replacement reserve of three hundred dollars (\$300) per unit, per year, shall be set for all unit types, except senior units, which will be set at two hundred fifty dollars (\$250) per unit, per year. However, if CTCAC, HCD or HUD should adopt AHMP Regulations that differ, the LAHD shall re-underwrite the project prior to the closing of the loan, in order to be consistent with the identified primary leveraging source.

**3.2 Operating Reserve**

The operating reserve shall be established and capitalized up front with an amount equal to three (3) months of operating expenses and hard debt service. This amount must appear in the proforma development budget at the time of application submittal, and at AHMP loan closing. The actual operating reserve account must be established and fully funded within 120 days of completion of construction. However, if CTCAC, HCD or HUD should adopt AHMP Regulations that differ, LAHD will have the authority to re-underwrite the project prior to the closing of the loan, in order to be consistent with the identified primary leveraging source.

**3.3 Supportive Services Reserve Fund and Supportive Services Coordination and Case Management**

Case management must include outreach and engagement with tenants. Based on best practices of the Los Angeles County Health Agencies, the following Case Manager-to-tenant ratios will be used by LAHD in evaluating project proposals:

- One Full Time Equivalent (FTE) Case Manager to no more than 20 units of chronically homeless;
- One Full Time Equivalent (FTE) Case Manager to no more than 20 units for homeless Transition-Aged-Youths;
- One Full Time Equivalent (FTE) Case Manager to no more than 30 units of homeless with special needs;
- One Full Time Equivalent (FTE) Case Manager to no more than 45 units of low income senior or other tenant populations.

To calculate the required ratio, the quotient shall be rounded up.

Applicant/developer will be permitted to pay for supportive services coordination and case management from cash flow as an Operating Expense up to the limits defined below. The applicant/developer may also establish a Supportive Services Reserve Fund for supportive services coordination and case management. To the extent that there are funds available after the 1) payment of all Operating Expenses, 2) funding the Replacement Reserve Fund, and 3) funding the Operating Reserve Fund, funds may be deposited into this Supportive Services Reserve Fund for the purposes of providing supportive services coordination and case management for the project's tenant population. In a given year, based on the target population served in each unit, the combined amounts of 1) supportive services coordination and case management costs taken as an Operating Expense and 2) deposits to the Supportive Services Reserve Fund shall be in amounts of no more than the following:

- Up to \$4,080 per unit per year for the chronically homeless;
- Up to \$3,060 per unit per year for homeless with special needs;
- Up to \$250 per unit per year for low income senior and other tenant populations.

The maximum balance of the Supportive Services Reserve Fund may not exceed three (3) times the per unit annual limits.

Requests for disbursement from the Supportive Services Reserve Fund must be submitted in writing to LAHD Asset Management Division, Attention: Division Director, and will be subject to LAHD approval. Funds may be drawn to pay only for providing supportive services coordination and case management for the project’s tenant population and when other public funding is unavailable to cover supportive services coordination and case management expenses. Funds from this account shall not be used to pay for other supportive services. For projects serving the homeless, disbursements will be contingent upon adherence to a Supportive Services Plan that is in conformance with the Plan Requirements outlined in the HACLA PBV Notice of Funding Availability, or from a government agency issuing the rental or operating subsidy, if available. Disbursements from the Supportive Services Reserve Fund shall also be in accordance with Section 7.15 of the AHMP Regulations.

Inflation for the annual service coordination fee (on the \$250, \$3,060, or \$4,080 per unit, per year base) may be increased by five percent (5%) annually.

However, if CTCAC, HCD or HUD should adopt a fee guideline that would differ from that of the AHMP Regulations, the LAHD shall re-underwrite the project prior to AHMP loan closing to ensure consistency with the regulations of the project’s primary leveraging source.

**3.4 Debt Coverage Ratio**

The Debt Coverage Ratio for the first year shall be equal to at least 1.15 to 1 pursuant to Section 10327(g)(6) of the most recent CTCAC Regulations, except where the applicable leveraging source regulations state otherwise. To be considered feasible, a project must demonstrate positive cash flow after debt service for a 15-year minimum term. Where a higher first year ratio is necessary to meet this requirement, the year- 15 cash flow shall be no more than the greater of 1) two percent (2%) of the year-15 gross income or 2) the lesser of \$500 per unit or \$25,000 total. Cash flow after debt service shall be limited to the higher of twenty-five (25%) of the anticipated annual must pay debt service payment or eight percent (8%) of gross income, during each of the first three years of project operation.

**3.5 Developer Fee**

For projects with 9% LIHTC financing structure, the maximum developer fee that may be included in the project costs is the latest relevant limit that is established by the CTCAC in the California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327(c)(2)(A).

For projects with 4% LIHTC financing structure, the maximum developer fee that may be included in the project costs is the relevant limit that is recently established by the CTCAC in the California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327(c)(2)(B).

Notwithstanding the CTCAC developer fee maximums, the maximum developer fee that may be paid out of development funding sources is \$2,200,000 for 9% LIHTC applications and \$2,500,000 for 4% LIHTC applications. In 4% LIHTC-structured projects, the balance of a higher earned developer fee permissible under CTCAC's Section 10327(c)(2)(B) must be offset by a capital contribution of an equal amount to defray the development costs associated with the project. The project budget may not reflect, nor may the project pay out, a deferred developer fee beyond the balance owed on the \$2.5 million portion of the fee. Developer fees for projects developed as multiple simultaneous phases must comply with CTCAC regulations.

For 4% LIHTC-Bond projects that are awarded points by LAHD under the AHMP regulations Section 5.2.3 for BIPOC scoring, the maximum developer fee is increased to Three Million dollars (\$3,000,000).

All other projects that are not structured as Bond/4% LIHTC shall be subject to the 9% LIHTC developer fee policy established in CTCAC Regulations Section 10327(c)(2)(A).

Any unpaid developer fee balance shall be paid from annual, excess cash available following the payment of all project operating costs, debt service, reserve deposits and administrative fees. However, no developer fee may be disbursed from any source without the approval of LAHD.

The recapture of any deferred developer fee shall be 15 years. Any interest on deferred fees shall be payable from the developer's share of residual receipts.

### **3.6 Consulting Fees**

Consulting fees must not exceed \$100,000 and should be dependent upon the size and complexity of the project. Specific consulting services include: preparation of tax credit applications; preparation of LAHD applications and other public agency applications; preparation of applications for conventional financing, as well as provision of general development services such as the selection and coordination of the development team; loan documentation; and, processing local approvals and entitlements. Fees required for construction management and entitlement consulting if provided by a third party, are not included in this category.

If the developer performs development services for the project which could be contracted to a consultant (e.g., preparation of a Tax Credit application, obtaining entitlements), the developer is entitled to assign the consulting fees to its own organization.

Applicants may not make side agreements with consultants which increase the consulting fees beyond the amount shown on the consulting line item. All consultant contracts and fees charged by the developer (in excess of the development fee) to provide services to the project shall be reviewed and approved by LAHD for cost reasonableness.



### **3.7 Cost and Pricing Guidelines**

#### **3.7.1 Purchase Price**

The maximum allowable purchase price is the lower of either the purchase price of the property or the as-is appraised value as evidenced by an appraisal that is prepared by a California State-certified general appraiser no more than six (6) months prior to the date of LAHD loan funding. The appraisal may not determine property value based solely on the sale of comparables financed by public agencies.

Additionally, if the subject site is being sold by an entity related to the newly proposed ownership entity, any mark-up on the land costs must be clearly stated and will be subject to LAHD approval.

#### **3.7.2 Tax Credit Pricing**

A letter of interest is not required at Notice of Funding Availability application deadline. However, for underwriting purposes, LAHD will not approve a loan based on assumptions that are unreasonable or inconsistent with industry standards.

#### **3.7.3 Cost Controls and Mandatory use of AIA Standard Form of Agreement**

All contracts, including but not limited to Owner/Architect, or Owner/Consultants or Owner/General Contractor must be approved by LAHD, and shall use the American Institute of Architects (AIA) Standard Form of Agreement.

Project costs should take into consideration anticipated increases in construction labor and materials costs throughout the projected construction period. Construction estimates will be reviewed at the time of determination for Project Readiness and any estimates considered to be excessively high or low may result in the rejection and/or removal of the project from the Pipeline list. Applicants should not expect LAHD to fill any additional financing gaps that occur as a result of rising prices.

#### **3.7.4 Competitive Bid – General Contractors and Subcontractors**

If at the time of application, the general contractor was not identified as part of the development team, the construction contract shall be awarded through a competitive bid process. The developer shall utilize a Request for Qualifications (RFQ) process (soliciting a minimum of three proposals). Awards should be made to the responsible firm whose proposal is most advantageous to the project with price and other factors considered. Criteria for selection should include, but not be limited to: the success of previous projects; experience and track record for completing projects on time and on budget; amount of overhead and profit; ability and/or capacity to complete the job within the time frame required; contractor integrity; and, the breadth of financial and technical resources to support the project. The general contractor, construction contract, and any change orders issued thereunder, will be subject

to the LAHD's approval. If at the time of application, a general contractor has been selected and is identified as a member of the development team, the developer/general contractor must provide a minimum of three (3) bids for each major trade including but not limited to site work, concrete, carpentry, drywall, plaster, mechanical, electrical and plumbing.

### **3.7.5 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.

### **3.7.6 Wage Compliance**

Assuming HOME funds will be used as a funding source, all projects 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/LA) 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.**

#### **3.7.6.1 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. A brief outline of the definitions for each schedule is listed below. Further details and examples may be found in DOL's "All Agency Memorandum Nos. 130 and 131" issued in 1978 (reference the WDOL Library Page). For more information, please refer to DOL's website containing Federal Davis-Bacon Wage Determinations at <http://www.wdol.gov/archdba.aspx>.

- **Building Construction:** Includes construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment or supplies; all construction of such structures; the installation of utilities and of equipment, both above and below grade levels; as well as

incidental grading, utilities and paving. Such structures need not be "habitable" to be building construction. Also, the installation of heavy machinery and/or equipment does not generally change the project's character as a building.

- 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.

### **3.7.6.2 State Prevailing 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](http://www.dir.ca.gov/dlsr/statistics_research.html)

Archived CA State Determinations:

<http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

### **3.7.7 Contractor Accountability**

#### **3.7.7.1 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.

#### **3.7.7.2 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.

#### **3.7.7.3 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.

#### **3.7.7.4 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.

### **3.7.7.5 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* (incorporated into Attachment 2.11): 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 AHMP 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.

### **3.7.8 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) shall use HACLA's utility allowance.

If a new construction development has several units supported by Section 8 Project Based Vouchers (PBVs) from HACLA, then the project shall be allowed to use HACLA's utility allowances for the entire project, 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.

### **3.7.9 Land Use Fees**

Projects must include the fees that are associated with services provided by LAHD's Land Use Unit, e.g. covenant preparation, AB 2222/2256 Determination, covenant monitoring. These fees are effective as of January 16, 2017. For more information, LAHD's Land Use Unit can be reached at: [LAHD-Landuse@lacity.org](mailto:LAHD-Landuse@lacity.org).

## SECTION 4 APPLICATION PROCESS AND REQUIREMENTS

The following general rules will apply to all applications submitted under the AHMP Notice of Funding Availability:

### 4.1 **General Rules:**

- 4.1.1 Only one application per project, containing one financing structure only, will be accepted by LAHD. Multiple applications for the same project are not allowed (e.g. an application using a 9% LIHTC structure that is submitted concurrently with a separate application using a Tax Exempt Bond/4% LIHTC structure, on a same project, will be declined).
- 4.1.2 These AHMP Regulations are open for rental housing projects which *intend to apply* to CTCAC, CDLAC, the State of California, or locally (e.g. Los Angeles County Development Authority, etc.).
- 4.1.3 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.
- 4.1.4 Incomplete applications will not be considered for funding. It is the responsibility of the applicant to ensure completeness of their submittal.
- 4.1.5 Staff will begin reviewing and underwriting proposals as soon as they are received.
- 4.1.6 Applicants will be subject to a background check to ensure compliance with LAHD Business Policy.
- 4.1.7 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.

### 4.2 **Application Scoring**

This is a competitive process, and project applications will be scored and ranked according to the scoring system in Section 5 below.

### 4.3 **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. 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.

#### **4.4 Appeal Process**

##### **(a) Availability**

No applicant may file an appeal regarding an LAHD staff evaluation of another applicant's application. An applicant may file an appeal concerning a LAHD staff evaluation of the applicant's project limited to:

- (1) Disqualification of application pursuant to Section 2 – Threshold Requirements;
- (2) Verification or determination of the application point score pursuant to Section 5 Selection Criteria;

##### **(b) 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 7 days after receipt of the appeal letter.

#### **4.5 City Council and Mayoral Approval Process**

Final score and ranking recommendations will be reviewed by the Mayor's Office, City Administrative Officer, the Chief Legislative Analyst, the Housing Committee of the City Council, and the full City Council. Once the recommendations are adopted by the City Council, the Mayor's Office will give its final concurrence.

#### **4.6 Release of Funds**

Due to the contingent nature of commitments made by LAHD through the AHMP, 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 5  
SELECTION CRITERIA**

Each application will be evaluated and scored according to the following criteria and additional project selection considerations:

**5.1 Financial Efficiency (Maximum 22 points)**

**5.1.1 Readiness (Maximum 10 points)**

A maximum of 10 points will be awarded to projects which demonstrate readiness to apply in the next upcoming CTCAC rounds.

**5.1.1.A Entitlements (Maximum 4 points)**

**5.1.1.A.i** – Four (4) points shall be awarded to projects that have evidence from the Los Angeles Department of City Planning (LADCP) or the Los Angeles Department of Building and Safety (LADBS), that all necessary entitlement-related applications have been approved; and no additional discretionary approvals are required and that the project will be able secure required entitlements by the proposed CTCAC application date;

**or,**

**5.1.1.A.ii** – Two (2) points shall be awarded to projects that have evidence from LADCP that the Affordable Housing Referral Form has been submitted or evidence from LADBS that the Affordable Housing Section Approval Process application has been submitted.

To garner points under this subsection, all documentation shall be submitted under Attachment\_5.1.1.A.

**5.1.1.B Competitiveness (2 points)**

Two (2) points shall be awarded to projects that demonstrate proof the projects will attain the maximum number of possible points in CTCAC, which includes site amenities, service amenities and affordability matrix. To obtain points under this subsection, a copy of the completed Point System Tab from the most recent and appropriate CTCAC application must be uploaded under Attachment 5.1.1.B in the UNOFA application. Non-LIHTC projects must submit a completed Point System Tab of the 9% TCAC application.

**5.1.1.C No Relocation (Maximum 4 points)**

**5.1.1.C.i** - Projects that will not require permanent relocation of residential tenant/s, shall be awarded Four (4) points;

**or,**

**5.1.1.C.ii** - Relocation of 10% or less - Projects that will require permanent relocation of residential tenants that equate to 10% or less, of

the total new proposed units, shall be awarded Two (2) points. Relocation points will be verified in the documents submitted under Section 2.20.

**5.1.2 Leverage of Committed Funding Sources (Maximum 12 points)**

Points will be awarded for submittals within the application documenting enforceable commitments for permanent financing from non-City resources, for a maximum of twelve (12) points. (Attachment\_5.1.3)

Points shall be awarded based on the ratio of the Total Committed Soft Funds and/or Private Funds (Total Committed Funds) to the project's Total Development Costs. Private funds shall not include amortized permanent loans from conventional lenders.

To calculate the points that will be awarded under this subsection, LAHD shall divide the Total Committed Funds by the Total Development Costs. The resulting ratio shall be rounded down to the nearest whole percent. Applications shall be awarded one-half (1/2) point for every one percent (1%) ratio of Total Committed Funds versus the Total Development Costs.

For purposes of scoring, committed funding sources include federal, state, or local government funds, and those funds that are already committed under the Affordable Housing Program of the Federal Home Loan Bank. To receive points under this subsection for loans, those loans must be "soft" loans, having terms (or remaining terms) of at least 15 years, and below market interest rates and interest accruals, and are either fully deferred or require only residual receipts payments for at least the first fifteen years of their terms. Qualified soft loans may have annual fees that reasonably defray compliance monitoring and asset management costs associated with the project. The maximum below-market interest rate allowed for scoring purposes shall be four percent (4%) simple, or the Applicable Federal Rate (AFR) if compounding. RHS Section 514 or 515 financing shall be considered soft debt for scoring purposes in spite of a debt service requirement.

The capitalized value of rent differentials attributable to public rent subsidies or public operating subsidies ("Tranche B loans") shall be considered committed funds only if the project has an evidence of committed project-based vouchers from the Housing Authority of the City of Los Angeles. The evidence of commitment of vouchers shall have been issued prior to the NOFA application deadline. The underwriting standards for Tranche B loans shall include a 15-year loan term; an interest rate established annually by CTCAC based upon a spread over 10-year Treasury Bill rates; a 1.15 to 1 debt service coverage ratio; and a five percent (5%) vacancy rate. In addition, the rental income differential for subsidized units shall be established based on CTCAC's most recent regulations.

In applications where publicly-owned land is donated, the land value that will be donated to the project shall be considered committed funds. If the land will be donated through a seller's note, the term of the seller's note must have the same terms as the "soft" loans as described above. If the terms of the land purchase include requirements or restrictions that are not part of the conditions of zoning

requirements, e.g. replacement parking, the value of the land shall be reduced by the costs that are associated with those requirements.

In applications where privately-owned land is donated, the land value of privately-owned land shall be considered committed funds. In order for LAHD to award points, the donor of the land must be an unrelated third-party. For partial land donations, at least 50% of the land value must be donated to the project. The portion of the land value that is being donated shall be considered committed funds.

For donations involving leasehold estates, LAHD will accept the property's "Below Market Value" of the Ground Lease as the committed funds. The "Below Market Value" (BMV) is defined as the difference between the appraised value minus the actual capitalized ground lease amount. The BMV amount that LAHD will consider as committed funds shall be further reduced by the aggregate amount of any land lease rent and/or residual receipts payments over the initial lease term.

All land values in all cases above must be supported by an "As-Is" appraisal that is consistent with Section 2.12.1.

Deferred developer fees, LAHD recast debt, or loans from a related company and/or development team, shall not be considered as committed funds.

## **5.2 Experience (Maximum 28 points)**

### **5.2.1 General Partner Experience (Attachment 5.2.1) (Maximum 12 Points)**

To receive points under this subsection for projects in existence for over 3 years, the proposed general partners, **and** a "Key Person" within the proposed general partner organization, must meet the conditions stated below. For this subsection, a "Key Person" is defined as an Executive Director or a Housing Director in the general partner organization, or an equivalent position that meets the satisfaction of LAHD. Applicants shall submit a resume or curriculum vitae of the Key Person with the application. In addition, LAHD shall not award experience points to an organization that has not exercised managerial control over those projects that will be utilized to claim points.

- (i) For projects in operation for over three years, submit a certification from a third party certified public accountant that the projects for which it is requesting points have maintained a positive operating cash flow, from typical residential income alone (e.g. rents, rental subsidies, late fees, forfeited deposits, etc.) for the year in which each development's last financial statement has been prepared and have funded reserves in accordance with the partnership agreement and any applicable loan documents. To obtain points for projects previously owned by the proposed general partner, a similar certification must be submitted with respect to the last full year of ownership by the proposed general partner, along with verification of the number of years that the project was owned by that general partner. To obtain points for

projects previously owned, the ending date of ownership or participation must be no more than 10 years from the application deadline. This certification must list the specific projects for which the points are being requested. The certification of the third party certified public accountant may be in the form of an agreed upon procedure report that includes funded reserves as of the report date, which shall be dated within 60 days of the application deadline, unless the general partner or key person has no current projects which are eligible for points in which case the report date shall be after the date from which the general partner or key person separated from the last eligible project. If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the certification may be submitted in a second round application, exceeding the 60-day requirement above. Where there is more than 1 general partner, experience points may not be aggregated; rather, points will be awarded based on the highest points for which 1 general partner is eligible (Attachment 5.2.1);

- (ii) The projects in operation which are used to garner points under this subsection must be compliant under the LAHD Business Policy, within the last ten (10) years from the AHMP NOFA deadline.
- (iii) The maximum points under this subsection is twelve (12) points as the options below are not cumulative.

3-4 projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be California Low Income Housing Tax Credit projects = 8 points

5 or more projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be California Low Income Housing Tax Credit projects = 12 points

For special needs housing type projects only applying through the Nonprofit set-aside or Special Needs set-aside only, points are available as described above or as follows:

3 Special Needs projects in service more than 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the 3 special needs projects = 8 points

4 or more Special Needs projects in service more than 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the 4 special needs projects = 12 points

### **5.2.2 CHDO (Maximum 10 Points)**

To be awarded 10 points under this section, the General Partner in the partnership and the developer, **both**, must be certified as a CHDO by LAHD. For joint ventures,

all parties with the general partner and/or developer role must be CHDOs to qualify for 10 points. (Attachment 5.2.2). See Exhibit 05 for guidance on CHDO requirements.

The CHDO certification must be submitted as Attachment 5.2.2 with the application. If a CHDO-certification application has been submitted before the NOFA deadline but is pending approval, LAHD will allow for an entity to get certified within 60 days after the NOFA deadline to allow the entity to submit additional documents if necessary. Requests for information on obtaining a CHDO certification from LAHD must be directed to:

<u>LAHD</u>
<u>Housing Development Bureau</u>
<u>Attention: Summer Bernardo/Brittany Batong</u>
<u>1200 W. 7<sup>th</sup> Street, 8th Floor</u>
<u>Los Angeles, CA 90017</u>
<u>Telephone: (213) 922-9627</u>
<u>Email: LAHD-CHDO@LACity.org</u>

Alternatively, the applicant may instead garner 10 points under Section 5.2.3 below. However, the combined maximum points for Sections 5.2.2 above and 5.2.3 below is only 10 points, as they are not cumulative.

### **5.2.3 BIPOC (Maximum 10 Points)**

A project shall receive BIPOC points in one of the following manners:

- (A) Ten (10) points if the project is a joint venture between an entity that receives maximum general experience points pursuant to Section 10325(c)(1)(A) of the CTCAC regulations and a BIPOC, provided that the partnership agreement: (i) allocates a share of the developer fee, cash flow, and net sale proceeds to the BIPOC that is equal to or greater than the share to the entity with maximum general experience points and (ii) provides the BIPOC Developer an option to purchase the development. To receive points under this subsection, applicants must submit a copy of the executed partnership agreement showing the required terms as indicated above, and submitted as Attachment 5.2.3.A; or
- (B) Ten (10) points if the sole sponsor of the project is a BIPOC that: (i) is a general partner in at least one LIHTC development that has received a certificate of occupancy, or if a rehabilitation project, completed rehabilitation, within five years of the date of application, and (ii) submits the certification from a third-party certified public accountant (CPA) referred to in Section 10325(c)(1)(A)(i) of the CTCAC regulations for that development, and (iii) demonstrates to the satisfaction of the LAHD AGM adequate in-house or contracted knowledge, skills, experience, and financial capacity to successfully develop, own and operate the proposed project. To receive points under this subsection, applicants must submit requirements as mentioned in (i) above, i.e., Certificate of

Occupancy, and as mentioned in (ii) above, i.e., certification from a third-party CPA, and submitted as Attachment 5.2.3.B, including a copy of the resume for the “Key Person” in the BIPOC organization.

BIPOC applicants are required to answer “Yes” to the question in Attachment 2.5 – Applicant’s/ Borrower’s Certification Statement “Do you certify that you or your organization qualifies as a BIPOC?”. "BIPOC" means an entity or developer that is at least 51% owned by one or more Black, Indigenous, or Other People of Color or by a non-profit organization with a Black, Indigenous, or Other Person of Color executive director/Chief Executive Officer (CEO) and board membership that is comprised of at least 51% Black, Indigenous, and Other People of Color. For purposes of this subsection, Black, Indigenous, or Other People of Color means "a person who checked the Black or African American, American Indian and Alaska Native, Asian, or Native Hawaiian and Other Pacific Islanders race category or who answered yes to the Hispanic Origin question on the 2020 United States Census or the most current publication of the United States Census.

#### **5.2.4 Property Management Company Experience (Attachment 5.2.2) (Maximum 6 Points)**

To receive points under this subsection, the property management company must meet the following conditions:

- i. To obtain points for projects previously managed, the ending date of the property management role must be no more than 10 years from the application deadline;
- ii. The property management experience with a project shall not pre-date the project’s placed-in-service date;
- iii. The projects in operation which are used to garner points under this subsection must be compliant under the LAHD Business Policy, within the last ten (10) years from the AHMP NOFA deadline.
- iv. In order to garner points under this category, applicants for Special Needs/ Homeless projects shall include special needs/homeless projects in their experience list.
- v. The maximum points under this subsection is six (6) points as the options below are not cumulative.

6-10 projects managed over 3 years, of which 2 shall be California Low Income Housing Tax Credit projects = 5 points; or,

11 or more projects managed over 3 years, of which 2 shall be California Low Income Housing Tax Credit projects = 6 points

For special needs housing type projects only applying through the Nonprofit set-aside or Special Needs set-aside only, points are as follows:

2-3 Special Needs projects managed over 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the special needs projects = 5 points; or,

4 or more Special Needs projects managed over 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the special needs projects = 6 points

Points in subsections 5.2.1 and 5.2.4 above will be awarded in the highest applicable category and are not cumulative. For points to be awarded in subsection 5.2.4, a Letter of Interest from the property management company for the subject application must be submitted at the time of application. “Projects” as used in subsections 5.2.1 and 5.2.4 mean multifamily rental affordable developments of over 10 units that are subject to a recorded regulatory agreement. General Partner and Management Company experience points may be given based on the experience of the principals involved, or on other nonprofit entities that have experience but have formed single-asset entities for each project in which they have participated, notwithstanding that the entity itself would not otherwise be eligible for such points. For qualifying experience, “principal” is defined as an individual overseeing the day-to-day operations of affordable rental projects as senior management personnel of the General Partner or property management company.

### **5.3 Other Policy Objectives (Maximum 4036 points)**

#### **5.3.1 Geographic Distribution (Maximum 6 points)**

Projects will be awarded maximum of Six (6) points based on **ONE** of the following two categories:

**5.3.1.A -** LAHD shall award points to project sites that are within the Transit Oriented Communities (TOC) as verified in the Los Angeles City’s Zone Information Map Access System (ZIMAS) (see Exhibit 2) or through a verification by the Los Angeles Department of City Planning. Applications requesting points under this category shall submit a copy of a ZIMAS report for the proposed site(s). The report must not be older than 15 days prior to the AHMP application deadline. Please follow the Los Angeles Department of City Planning at <https://planning.lacity.org/zoning/zoning-search>. (Att\_5.3.1.A)

LAHD shall award points based on the following:

TOC Tier 4 / TOC Tier 3 = 5 points;

TOC Tier 2 / TOC Tier 1 = 3 points;

**or,**

**5.3.1.B -** Project sites that are within a CTCAC’s Highest or High Resource Area shall receive the following points:

High or Highest Resource Area = 5 points;

Applications requesting points under this category shall submit a screen

print of the opportunity map for the proposed site using the 2021 TCAC/HCD Opportunity Map located at:  
<https://belonging.berkeley.edu/2022-tcac-opportunity-map>  
(Attachment\_5.3.1.B)

**5.3.1.C** - One (1) point for projects which are located in both a City TOC Tier 4 or Tier 3 **and** a Highest or High Resource Area.

**5.3.2 Extremely Low-Income (Maximum 14points)**

In order to incentivize projects that can “internally subsidize” extremely low-income units (ELI) by blending ELI units with units at higher income limits, LAHD shall award one (1) point up to a maximum of fourteen (14) points, for each 1% above the TCAC’s Lowest Income Points initial 10% minimum Low-Income units per Section 10325(6)(B) of the CTCAC Regulations. The percentage differential shall be rounded-down to the nearest whole percent. For purposes of scoring, an ELI unit is restricted between 0 and 30 percent of the area median income. To receive points under this subsection, applicants shall submit a completed copy of Section D(2) Lowest Income for 10% from the Points System tab of the CTCAC 9% Competitive Tax Credit Application. (Attachment\_5.3.2)

Applications that are proposing PBVs or operating subsidies shall not be awarded points under this subsection. All applications must demonstrate financial feasibility without project-based vouchers with reasonable assumptions, i.e., reasonable incomes from the target populations. Additionally, the project’s unit mix will have more than 10% of the total units targeted as ELI.

A Special Needs project may qualify for points under this subsection if all of these conditions are satisfied:

- 1) The project is not proposing PBVs or operating subsidy;
- 2) Must meet the definition of Special Needs (at least 45% of total units targeting Special Needs population);
- 3) Must meet the CTCAC average income requirement (i.e. Average income of 50% of AMI for 9% LIHTC, and 60% of AMI for 4% LIHTC);

**5.3.3 Site Efficiency (Maximum 5 points)**

Affordable new construction housing developments with the total number of units of One Hundred (100) or more per acre, shall receive five (5) points under this subsection. LAHD will verify site density using the documents submitted under Section 5.1.1, and/or appraisal submitted under Section 2.12, and/or architectural plans submitted under Section 2.16.

**5.3.4 Cost Efficiency (Maximum 15 points)**

Points shall be awarded to projects whose Adjusted Total Development Cost Per Unit is lower than the Average Total Development Cost (TDC) Per Unit from the LAHD’s data set. To calculate the average per unit cost, LAHD will use a data set that will include all developments that have executed construction loan closings between July 1, 2021 and June 30, 2022. LAHD will verify cost efficiency using the proforma submitted under Section 2.1.



One point shall be awarded to the project for every 1% that the project's Adjusted Total Development Cost Per Unit is below the Average Total Development Cost Per Unit from LAHD's data set. For this category, the Adjusted Total Development Cost is calculated by subtracting the following from the project's Total Development Costs: 1) developer fees, that are contributed as equity to the project, that is in excess of amounts in accordance with contribution threshold as specified in Section 10327(c)(2) (B) of the CTCAC Regulations, and/or 2) any non-residential costs that are required by a government agency as part of the land disposition and are non-zoning related requirements, e.g. replacement parking, etc., up to a maximum of \$40,000 per residential unit, and/or 3) the development cost of the project's commercial component, provided that a) these costs are for viable commercial space, b) costs are supported by private sector financing, and c) costs are excluded from the calculation of basis in accordance with CTCAC guidelines. Also, for the purpose of calculating the project's Adjusted Total Development Cost, LAHD shall not subtract any of the project's LAHD recast debt from the project's Total Development Costs. The percentage differential shall be rounded down to the nearest whole percentage.

#### **5.4 Enhanced Accessibility Program (Maximum 10 points)**

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 that gives developments points for including additional hearing, vision, or mobility accessibility features such as power operated doors, touch pad lights, and easily accessible pantry storage.

Applicants who elect to participate in the Enhanced Accessibility Program (EAP), shall receive ten (10) bonus points, and shall:

- 1) 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 08- Enhanced Accessibility NOFA Program;
- 2) Submit a checklist of the chosen design features. The checklist must be signed and dated by the applicant. (Attachment\_5.4)

#### **5.5 Negative Points (No maximum)**

LAHD, at the discretion of the General Manager, will impose negative points to general partners, co-developers, management agents, consultants, guarantors, or any member or agent of the development team identified in the application. All negative points shall be assessed to future applications for two years from the date of LAHD's issuance of a letter assessing the respective negative points. Negative points shall be assessed as listed below:

- 5.5.1** Twenty (20) negative points may be assessed to developers and/or project sponsors that violate the Pipeline Order as stipulated Section 8 herein;

**5.5.2** Two (2) negative points may be assessed if there is an increase in the project's Total Development Costs at the time of application as compared to the Total Development Costs at construction loan closing, and the cost increase is at 11% to 15%;

Five (5) negative points may be assessed if there is an increase in the project's Total Development Costs at the time of application as compared to the Total Development Costs at construction loan closing, and the cost increase is more than 15%;

**5.5.3** Any negative points that may be imposed by CTCAC under Section 10325(2) of the CTCAC's Regulations pertaining to the assessment of Negative Points.



## **5.6 Additional Project Selection Considerations**

### **5.6.1 Ranking and Selection by Set-Aside and Geographic Apportionment Pools**

The Notice of Funding Availability applications will be ranked, within the 9% LIHTC pool, those projects that intend to compete in the Special Needs/SRO Set-Aside, At-Risk Set-aside, Non-Profit Set-aside, and the Los Angeles City Geographic Apportionment. Projects will be selected into the AHMP until sufficient number of high-scoring applications will use all tax credits that are available from CTCAC 2023 Rounds 1 and 2, and CTCAC 2024 Round 1.

### **5.6.2 Minimum Permanent Supportive Housing Projects in the Pipeline**

In order to maximize utilization of the 9% LIHTC resource and to support production of Permanent Supportive Housing in accordance with the Consolidated Plan, the City will prioritize the goal of always having at least 250 units of Permanent Supportive Housing in the Pipeline, annually, subject to availability of funds and tax credits.

### **5.6.3 Minimum At-Risk Projects in the Pipeline**

In order to maximize utilization of the 9% LIHTC resource and to facilitate its preservation goals, the City will prioritize the goal of always having at least 100 “At-Risk” units in the Pipeline. To do so, the City may reach below higher ranking non-At-Risk affordable housing developments to maintain at least 100 units of At-Risk affordable housing in the Pipeline at all times.

### **5.6.4 Minimum Senior Projects and Large Family Projects in the Pipeline**

To the extent that there are available 9% LIHTC, AHMP Funds, or leveraging sources for senior projects or large family projects, the City will prioritize the goal of always having at least 50 units targeting seniors, and 400 units targeting large families, in the Pipeline.

### **5.6.5 Geographic Distribution of Resources**

The AHMP scoring system shall award points to projects that are located within either the City’s Transit Oriented Communities Program or CTCAC’s Highest and High Opportunity Area. See scoring system above.

### **5.6.6 Priority Order of LA City Goals**

This is a competitive Notice of Funding Availability and applications will be scored according to the selection criteria and goals set forth above. After verifying all application self-scores, projects will be selected in the following order, subject to availability of 9% LIHTC, AHMP Funds, or other leveraging sources:

All projects must meet all threshold requirements, as further described in the regulations. Only those projects that pass the minimum threshold review shall move forward on being ranked according to their total score as verified by the LAHD staff. Ranked projects shall be sorted according to their housing types and/or set-aside selection pursuant to Section 1.19 of the AHMP Guidelines,

beginning with 1) 9% LIHTC supportive housing projects, then 2) 9% LIHTC large family projects, then 3) 9% LIHTC senior projects, then 4) 9% LIHTC at-risk/preservation projects, then 5) 4%-Bond projects, and then 6) all others. LAHD staff shall admit projects into the AHMP in the following manner:

FIRST, within the 9% LIHTC Supportive Housing (SH) projects, the LAHD will rank applications using verified scores as the ranking key, from the highest to the lowest score. Beginning with the top-ranking SH project, and then the next top-ranking project and so on, the LAHD will select projects from this SH group and admit them into the Pipeline. The LAHD will keep a cumulative count of the number of SH units that are being accepted into the Pipeline from order of selections, and will continue to select projects until the goal of 250 SH units is reached.

SECOND, within the 9% LIHTC Large-family (LF) projects, the LAHD will rank applications using verified scores as the ranking key, from the highest to the lowest score. Beginning with the top-ranking LF project, and then the next top-ranking project and so on, the LAHD will select projects from this LF group and admit them into the Pipeline. The LAHD will keep a cumulative count of the number of LF units that are being accepted into the Pipeline from order of selections, and will continue to select projects until the goal of 400 LF units is reached.

THIRD, within the 9% LIHTC Senior projects, the LAHD will rank applications using verified scores as the ranking key, from the highest to the lowest score. Beginning with the top-ranking Senior project, and then the next top-ranking project and so on, the LAHD will select projects from this Senior group and admit them into the Pipeline. The LAHD will keep a cumulative count of the number of Senior units that are being accepted into the Pipeline from order of selections, and will continue to select projects until the goal of 50 senior units is reached.

FOURTH, within the 9% LIHTC At-risk/Preservation (At-risk) projects, the LAHD will rank applications using verified scores as the ranking key, from the highest to the lowest score. Beginning with the top-ranking At-risk project, and then the next top-ranking project and so on, the LAHD will select projects from this At-risk group and admit them into the Pipeline. The LAHD will keep a cumulative count of the number of At-risk units that are being accepted into the Pipeline from order of selections, and will continue to select projects until the goal of 100 At-risk units is reached.

FIFTH, once all of the above goals are met, and if LAHD funds are still available, within the 4% LIHTC/Bond projects, the LAHD will rank applications using verified scores as the ranking key, from the highest to the lowest score. Beginning with the top-ranking 4% LIHTC/Bond project, and then the next top-ranking project and so on, the LAHD will select projects from this 4% LIHTC/Bond group and admit them into the Pipeline until available funds are exhausted.

SIXTH, if there are not enough units to satisfy the above goals, LAHD will consider other types of applications based on score.

**5.7 Exceptions to Pipeline Order Pertaining To Small-Site Developments**

For an anticipated Round 2 of a 9% CTCAC Competitive Round, if the amount of the tax credit request of the next 9% L.A. City Geographic project in the AHMP pipeline queue is such that it would make the aggregate total of all tax credit requests in the queue violate the CTCAC's 125% rule under Section 10325 (d)(2), the City may move up in the queue a smaller development seeking a smaller amount of 9% LIHTC, in accordance with the applicable CTCAC practices.

**5.8 Tie Breaker**

If multiple applications receive the same score, the following tiebreaker shall be employed:

Priority will be given on the proximity of the expiration of their commitments: the application with any existing funding commitment(s) from the City and/or non-City resource(s) that is at risk of recapture or loss, will be selected over an application that has existing funding commitment(s) but is not at risk of recapture or loss.

**5.9 9% LIHTC Alternates**

LAHD shall also identify the two (2) highest-ranking 9% applications from the list of projects that are not selected per Section 5.6, and designate them as "alternates" for the 9% CTCAC application rounds. To qualify for the alternate designation, the two 9% applications shall have passed the minimum threshold review.

Although alternates shall not be officially included in the AHMP pipeline, they will be utilized by LAHD in 9% CTCAC Funding Rounds where there is no available AHMP pipeline project that can advance AHMP's production goals. The length of term of alternates is coterminous with the term of the AHMP pipeline projects.

**5.10 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 Section 10302 (2), and 10327 (c) (2)(C).

## **SECTION 6 PROJECT READINESS AGREEMENTS**

### **6.1 General Provisions**

Resulting from the Notice of Funding Availability, a limited number of developments shall be selected to enter into a Project Readiness Agreement (PRA). The number of developments selected will be consistent with the City priorities and available resources. Should an agreement not be reached between the City and the selected development sponsor on the terms of the PRA, the next highest scoring development of comparable characteristics will be chosen to enter into negotiations to execute a PRA. Applicant/developer will have a maximum of sixty (60) calendar days after the formal approval of their project to execute a PRA. Formal approval is defined as the date of City Council approval and Mayor's concurrence of the selected list resulting from the Notice of Funding Availability.

### **6.2 Conditions contained in a PRA**

The PRA shall detail, among other facts and conditions, the number of affordable units to be produced, location, housing type, target population, affordability levels, applicant/developer and development team, compliance to the City's Borrower Compliance Policy by the developer and all current and future members of the development team, projected total development costs, maximum Public Funds subsidy, projected 9% LIHTC to be requested, timeline for performance and projected CTCAC round for allocation. In addition, applicant/developer will commit to abiding by all applicable local, state and federal regulations tied to current and future funding sources. Also, the PRA will document that the City may require the developer to withdraw its CTCAC application if not doing so will result in the unintentional bumping described in Section 9.1.

The PRA will document the mutual agreement between the City and the developer on the conditions needed to be met in order for the project to be "Ready" or achieve "Project Readiness," including, but not limited to, full entitlements, all other financing commitments.

### **6.3 Enforceable Commitments from the City through a PRA**

To demonstrate the City's enforceable financial commitment for the purposes of applying for funding from other sources, the City will issue the PRA, or a supporting document, to document the City's financial commitment.

## SECTION 7 PROJECT READINESS

**“Project Readiness” Due Diligence Requirements** - For a development to be determined with “Project Readiness,” all applicable items in the “Support Documents” tab of the on-line application must be submitted. The requirements to meet “Project Readiness” include, but are not limited to the following:

### 7.1 **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.

### 7.2 **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.

### 7.3 **Intentionally Left Blank**

### 7.4 **Architecture and Design Use Criteria**

Applicants/developers must provide written rationale that explains the project design, and submit an electronic copy in Adobe Acrobat format (Pdf) 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., 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.).

All proposed projects shall undergo an architectural review. To meet the condition of Project Readiness, the project design should comply with LAHD Architectural Guidelines. 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).



For “cosmetic rehabilitation projects,” applicants are required to submit a property needs assessment report or engineering inspection report as described in Section 7.2 of these AHMP Regulations. Aesthetic and 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.

#### **7.4.1 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 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:

- 4% of the total units in the project must be accessible to persons with sensory impairments;  
**and,**
- 11% of the total units in the project must be accessible to persons with mobility impairments.

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.

**Prior to Issuance of TCO:**

Prior to issuance of a Temporary Certificate of Occupancy (TCO), the development 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.

### **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 Attachment 2.24 and Exhibit 1 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 will 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](https://www.apps.dgs.ca.gov/casp/casp_certified_list.aspx)

## **7.5 Defaults, Foreclosures and Citations**

All applicants/developers, including partners and principals, must disclose bankruptcies, defaults or foreclosures, conflicts of interest or any event which could lead to a potential bankruptcy, default or foreclosure, or conflict of interest by completing and submitting the LAHD Credit Check Authorization (Attachment\_2.9.4). For this purpose, violation of

terms, conditions and/or covenants, whether or not a Notice of Default has been recorded, is deemed a default. Failure to disclose an actual or potential bankruptcy, default or foreclosure, or conflict of interest, will result in the rejection of the application and/or will be considered an event of default in LAHD's loan documents. All code violations and their remediation on existing projects must also be disclosed. Additionally, LAHD's commitment of funds may be withdrawn if any of the above-mentioned actions are discovered after the commitment is made.

If disclosure is made with respect to the above, the applicant must provide a complete explanation of the circumstances and current status. LAHD, in its sole discretion, will determine if the explanation is acceptable. An unacceptable history of delinquencies, bankruptcies, defaults or foreclosures, or conflicts of interest are all, singularly or in combination, grounds for rejection of the application.

**7.6 Failure to Comply with Davis-Bacon or State Prevailing Wage Requirements**

Applicants/developers who have repeatedly attempted to avoid the payment of Davis-Bacon and/or State Prevailing wages, or who have been referred to the Department of Labor, the Department of Housing and Urban Development, the California Labor Commission or any other enforcement agency, may be disqualified. Additionally, any project that does not submit construction costs at the applicable Davis-Bacon/State Prevailing Wage rates may also be disqualified. An applicant must submit written certification that they will comply with Davis Bacon or State Prevailing Wage requirements (Attachment\_2.5).

**7.7 LAHD Business Policy**

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. The Business Policy provides direction concerning specific collection steps and renders applicants and their related partnerships ineligible for City assistance, if in non-compliance with loan agreements or other contract(s) with the City. 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. An application is deemed ineligible to compete for funding if any member of the applicant's ownership entity has an interest in a current project or projects that are in monetary, or non-monetary default. Rehabilitation projects involving properties placed into LAHD's Rent Escrow Account Program (REAP) under the current ownership and remaining out of compliance at the time of application, are also ineligible to compete for funding.

In accordance with the LAHD Business Policy, the applicant must provide a list of ALL residential income properties located within Los Angeles City limits that the applicant and the applicant's partners and/or principals have (or previously had) a vested interest in, including all properties currently or previously owned by any of the aforementioned

parties, regardless of funding source (Attachment\_ 2.6.1.3). The list must be submitted in Microsoft Excel format. In addition, a complete and accurate list of the names of all persons and entities who are partners or principals in the project, including the name(s) of the applicant(s), must be provided (Attachment\_2.9.3).

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.

## **7.8 Contracts**

Copies of all contracts entered into as part of the development of the proposed project must be submitted as part of “Project Readiness” and are subject to LAHD approval.

## **7.9 Property Management Plan**

Skilled property management is critical to the success of affordable housing developments. As part of Project Readiness evaluation process, applicants/developers must submit a Property Management Plan (PMP) no later than sixty (60) days prior to the CTCAC Application deadline for which the project is scheduled to apply for tax credits. The PMP shall include a clear outline of the project’s Affirmative Marketing process, including detailed 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 template supplied by LAHD as Exhibit 4. Any PMP that is different from the LAHD-supplied template will not be accepted. In addition, before LAHD will commit to funding any loan for a project selected through the Notice of Funding Availability process, the developer must submit the qualifications of its management entity.

## **7.10 Project Feasibility**

This category will determine whether the project, as proposed, is financially feasible and demonstrates long-term viability as an affordable housing project. Projects must use the underwriting criteria required by the identified leveraging source, in combination with LAHD guidelines detailed in Section 3 of these AHMP Regulations.

### **7.10.1 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 between 5% and 10% of the total construction costs for new construction, and between 10% and 15% for rehabilitation projects.

Please refer to Section 3.7.7.5 – *Cost Certification* for details regarding specific requirements under these AHMP Regulations.

#### **7.10.2 Assessment of Long-Term Viability**

For proper evaluation of construction costs, it is recommended that the developer submit all pertinent information that impacts construction cost. This may include but is not limited to the assessment of the project's long-term viability. All projects must demonstrate viability supported by a 15-year cash flow proforma which shows positive cash flow. The reasonableness of the operating expenses, reserves, and overall assumptions will be analyzed in relation to the type and size of the development. Operating subsidies reflected in the proforma must be supported by commitments which can reasonably be relied upon. The marketability of the project, in terms of how suitable the proposed rents are relative to the market, will also be taken into account in assessing long-term viability.

#### **7.11 Architectural Design Review**

All proposed projects will be evaluated on design issues related to site planning, common spaces/circulation, unit layout, and compliance with applicable accessibility standards.

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

#### **7.12 Land Use Covenants**

The Los Angeles City Planning Department's Conditions of Approval for any project receiving a Density Bonus or other incentive will require that prior to loan closing, a land use covenant is recorded to restrict the units to the HCD rent levels. Exceptions are allowed pursuant to the Zoning Administrator's Interpretation Case No. ZA-2009-2676, Section 12.22-A, 25(d)(2) of the Los Angeles Municipal Code – Density Bonus Provisions.

Immediately following an award from the leverage source (e.g., CTCAC tax credit allocation), applicant/developer must contact the LAHD Land Use Unit and submit necessary documentation to allow LAHD ample time to process and record the land use covenant prior to loan closing.

### 7.13 **Formation Documents**

The following due diligence items are required for Project Readiness:

- A. With respect to a corporation:
  - 1) Certificate of Good Standing issued by the Secretary of State, issued within six months prior to the Notice of Funding Availability application deadline;
  - 2) Articles of Incorporation;
  - 3) By-laws, which reflect as one of its purposes, the development and/or management of affordable housing;
  - 4) Current list of Board of Directors;
  - 5) A certified copy of a resolution of the Board of Directors, executed within 90 days of the Notice of Funding Availability application deadline. The resolution must include:
    - a. Authorization to participate in the Notice of Funding Availability;
    - b. 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;
    - c. Names and offices of the authorized signatories who may act on behalf of the corporation, based on the required categories below.
  - 6) If the borrowing entity is a not-for-profit corporation, a copy of its 501 C (3) or (4) designation must also be submitted
- B. With respect to a California Limited Partnership:
  - 1) A certified copy of the certificate of limited partnership (form LP-1), and any amendment thereto (form LP-2) recorded in public records;
  - 2) A full copy of the partnership agreement and any amendments;
  - 3) Satisfactory evidence of the consent of a majority in interest of the limited partners for the limited partnership to participate in the Notice of Funding Availability and 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.
- C. With respect to Limited Liability Company:
  - 1) A copy of its operating agreement and any amendments thereto
  - 2) A certified copy of its Articles of Organization (LLD-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of article of organization (LLC-10) recorded in public records
- D. With respect to a Joint Venture:
  - 1) All documents in this section (as applicable) must be submitted by both parties of the joint venture.

A sample signature block to be used in execution of loan documents entered into with LAHD is required.

Pursuant to California Corporations Code §313 and *Snukal v. Flightways* (2000) 23 Cal. 4<sup>th</sup> 754, all documents executed or entered into with a corporation should have the signature of an officer in each of the following two categories:

1. Chairman of the Board, President, or any Vice President; and
2. Secretary, any Assistant Secretary, Chief Financial Officer, Treasurer, or any Assistant Treasurer.

However, the signature of the Executive Director **and** a signature from either category listed above will suffice.

A current Business Tax Registration Certificate issued by the City of Los Angeles is also required.

### **7.13.1 Financial Statements**

Financial statements of the organization of the borrower/applicant, for the last three years (Balance Sheet, Income Statements, and Cash Flow Statements with notes) shall be submitted for Project Readiness review.

## **7.14 Identities of Interest**

An applicant must provide identification of any persons or entities (including affiliated entities) that plan to provide development or operational services to the proposed project in more than one capacity, and full disclosure of related parties, as defined.

Related party is defined to include:

- The brothers, sisters, spouse, ancestors, and direct descendants of a person;
- A person and corporation where that person owns more than 50% in value of the outstanding stock of that corporation;
- Two or more corporations that are connected through stock ownership with a common parent with stock possessing:
  - at least 50% of the total combined voting power of all classes that can vote, or
  - at least 50% of the total value of shares of all classes of stock of each of the corporations, or
  - at least 50% of the total value of shares of all classes of stock of at least one of the other corporations, excluding, stock owned directly by that other corporation, in computing voting power or value;
- A grantor and fiduciary of any trust;
- A fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
- A fiduciary of a trust and a beneficiary of that trust;
- A fiduciary of a trust and a corporation where more than 50% in value of the outstanding stock is owned by or for the trust, or by or for a person who is a grantor of the trust;
- A person or organization and an organization that is tax-exempt under Subsection 501(a) of the Internal Revenue Code and that is affiliated with or controlled by that person or the person's family members or by that organization;



- A corporation and a partnership or joint venture if the same persons own more than:
  - 50% in value of the outstanding stock of the corporation; and
  - 50% of the capital interest, or the profits' interest, in the partnership or joint venture.

### **7.15 Supportive or Enhanced Services Plan**

All projects must submit for LAHD's approval a supportive services plan that is appropriate to the target population (Attachment\_7.15). The plan shall contain 1) details of the services to be provided to the target population, 2) frequency of services, 3) monitoring of clients' participation in services and measurement of clients' successful completion of services. The information on supportive service provider(s) that includes provider's prior experience working with the targeted population in permanent supportive housing and its success rates, must be identified in the plan. Letters of commitment and/or contractual agreements with those agencies, showing sufficient funding, must be provided.

The supportive services plan shall include a services "Sources and Uses" budget, clearly stating all anticipated income and expenses associated with the services that are being proposed for the project. The budget shall be consistent with the services commitments submitted (i.e. MOUs, contracts, letters, etc.) and should only be approved by LAHD if it adequately accounts for the level of service. Budgeted amount must be reasonably expected to cover the costs of the proposed level of service. The budget should specify the project's total number of chronically homeless units and/or homeless with special needs units, if there are any. In addition, the plan shall specify:

- The total number of case manager/s or service coordinator/s and including their annual salaries;
- The number of chronically homeless and/or special needs units, if there are any.

The Case Manager-to-tenant ratios shall be consistent with Section 3.3 of the Regulations and/or requirements of other outside funding sources or operating subsidies.

Developments will be required to receive applicant referrals from the County Departments and collaborate with the applicable County Departments to finalize the supportive services plan to serve this population. Developments may also use the Coordinated Entry System for applicant referrals. Applicants are encouraged to complete as much of the supportive services plan as possible and should indicate in it that they will collaborate with the County Departments on the final supportive services plan.

Any project with a commitment to provide Measure H supportive services from a Los Angeles County Health Agency (e.g. the Departments of Health Services (DHS), Mental Health (DMH) and Public Health (DPH)) must, at the time of Project Readiness, provide a letter from the L.A. County Health Agency identifying its intent to provide services for special needs units in the proposed project. If supportive services are provided by the L.A. County Health Agency for a Special Needs population, a Supportive Service Plan is not required for that population. If you wish to have supportive services provided to your project by the L.A. County Health Agency, please contact the LA County Department of Health Services, Housing for Health, for a commitment letter. The commitment letter should then be included in the Project Readiness due diligence submittals.

A Supportive Service Plan with an identified lead service provider is required at the time of Project Readiness for any general low-income units or Special Needs units in the proposed project that are not supported by the L.A. County Health Agency.

For projects applying for HUD-VASH PBVs, referrals must be taken from, or approved by, Veterans Affairs. Applicants must collaborate with Veterans Affairs and the County Departments on supportive services.

Details regarding the supportive service requirements must be obtained from the HACLA Notice of Funding Availability. For discrepancies between these AHMP Regulations and HACLA's PBV NOFA requirements, the HACLA requirements will prevail.

#### **7.15.1 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 the LAHD's Affordable and Accessible Housing Registry in leasing to persons needing accessibility improvements.

#### **7.16 Evidence of Approvals Necessary to Begin Construction or Clearance Sign-offs for Attachment 14 of CTCAC Application**

Applicants/developers must provide evidence, as verified by the appropriate officials from the Department of Building and Safety and/or Department of City Planning, of the site plan approval, design review approval, conditional use permit, variance approval, CEQA environmental clearance, Costal Commission Approval, and other requirements, with the exception of NEPA environmental clearance, Article 34 Authority, Toxic and Soils Report. To show evidence that these requirements to begin construction are either finally approved or unnecessary, project sponsors shall obtain signatures on Attachment 14 of the CTCAC Application from appropriate approving agencies (Attachment 7.16).

#### **7.17 LAHD's Approval of Requested Amounts for 9% L.A. City Geographic Region Tax Credits**

Ninety (90) days prior to a CTCAC application deadline, as a condition for "Project Readiness," each project that will be queued to apply for 9% L.A. City Geographic Region Tax Credits (*see Section 8.2*) shall submit a request to LAHD, for approval of the requested amount of tax credits.

Upon receipt of these requests, the LAHD will review each project's initial tax credit amount as represented in the project's NOFA application, and compare these with the requested amounts, and will identify any increased requests. LAHD will only approve requests to the extent that there are sufficient credits available for all projects applying in a given round. Applications for projects with increased credit requests that cannot be accommodated may be delayed until a future round with available credit.

**SECTION 8**  
**PIPELINE ORDER ENFORCEMENT AND AHMP CALENDAR**

**8.1 Parameters for the AHMP Calendar**

The following parameters shall be implemented by LAHD Staff to develop and maintain the AHMP Calendar:

- Developers will schedule themselves for CTCAC Funding Rounds when they determine their readiness; LAHD staff will verify a reasonable timeframe for readiness.
- For the Set-asides, LAHD will schedule projects to use a maximum of approximately 75% of the tax credits available statewide, in a given CTCAC Funding Round.
  - If two or more Set-aside/Permanent Supportive Housing developments request the same CTCAC Funding Round, LAHD will apply the following tie-breakers to schedule projects based on the preceding parameter:
    1. Developments with committed operating subsidies (Housing Assistance Program (HAP) funding, Project-Based Section 8 Vouchers (PBV), or Veterans Affairs Supportive Housing (VASH));
    2. Developments with committed financing having Placed-in-Service deadlines;
    3. Highest LAHD Verified Score first, lowest score last.
- For the L.A. City Geographic Region, LAHD will schedule projects to use a maximum of 125% of the tax credits available per round.
  - If two or more L.A. City Geographic Region developments request the same CTCAC Round, LAHD will apply the following tie-breakers to schedule projects based on the preceding parameter:
    1. Developments with committed financing having Placed in Service deadlines;
    2. Highest LAHD Verified Score first, lowest score last;
    3. Small developments.
- Allowable number of projects per developer, per round: LAHD agrees to be flexible and follow the parameters and tie-breakers above. However, consistent with CTCAC's Qualified Allocation Plan (QAP), LAHD will observe a cap of three projects per developer, per round;
- If a project is not ready to apply for its scheduled CTCAC Funding Round, the project drops down to the next open slot;
- Applicants/developers must provide LAHD with "Proof of Readiness to Apply for LIHTC" ninety (90) days prior to their slotted CTCAC round deadline;

- The AHMP Calendar must meet the deadlines of other public sources.

## **8.2 Publication of Pipeline List**

The City will publish the Pipeline upon inception, and every time the Pipeline is modified either through addition via a Notice of Funding Availability, or deletion via the full-funding of developments through 9% LIHTC, or any other financing structure. The current pipeline will always be available for public view at the LAHD website. Publication of the Pipeline will be consistent with Section 8.1 above. Moreover, the City will publish a reasonable amount of information of applications under review and at several milestones prior to formal approval by the City Council and concurrence by the Mayor.

## **8.3 Issuance of Local Review Letter**

The CTCAC application requires a Local Review Letter for each development seeking 9% LIHTC. The City, through LAHD, issues the local review letters for developments located within the City. In support of the Pipeline, the City will only issue the City's "Strong Support" in a Local Reviewing Agency (LRA) letter to 9% LIHTC-seeking developments coming out of the City's AHMP; and in the order in which projects are authorized to apply. By adoption of these policies, the Mayor and City Council have selected LAHD as the sole entity of the City authorized to issue the Local Review Letter. Any developer that applies to CTCAC for an allocation of 9% LIHTC for an affordable housing development located within the City of Los Angeles, but did not go through the Pipeline or applies out of order without LAHD's written consent, will receive an LRA letter indicating "Strongly Oppose."

## **8.4 Negative Points**

Any developer that applies to CTCAC for an allocation of 9% LIHTC for an affordable housing development located within the City of Los Angeles, but did not go through the AHMP Pipeline or applies out of order without LAHD's written consent, will be assessed fifty negative (-50) points on their next applications for the following three (3) years beginning from the date on which the application to CTCAC was submitted.

## **8.5 Line-up of 9% LIHTC L.A. City Geographic Projects**

As part of its strategy to ensure allocation of the entire L.A. City Regional Apportionment of 9% LIHTC to City developments, the City may choose to allow for more applicants to request for tax credits than there are available 9% LIHTC in a CTCAC Funding Round. This strategy is designed to account for any of the City-supported applications that may be declined due to unforeseen reasons which could cause a delay in moving projects forward as they are scheduled in the Pipeline Calendar, and to minimize the impact of applications of the City developments being declined.

The LAHD shall select a next "Ready" project from the AHMP Pipeline and shall be included in the group of projects that will be allowed to apply to CTCAC in a given funding round, provided that it satisfies the following requirements:

- Its applicant/developer has demonstrated, to the LAHD's satisfaction, that the project has achieved readiness;
- It has the highest LAHD-verified score among the next group of projects in the AHMP Calendar that is scheduled to apply to CTCAC;

- Its tax credit request in combination with requests of all City projects in that round minus any of the unsuccessful project, will not cause the L.A. City Region’s aggregate award amount to exceed 125 percent (125%) of the amount originally available for the region in that funding round.

At LAHD’s discretion, in a CTCAC Funding Round where a City-supported application in the L.A. City Geographic Region would be declined, a City-supported application that is concurrently applying under the Special Needs or Non-profit Set-Aside, may be allowed to drop-down if the latter is perceived to be unsuccessful in that Set-Aside.

**8.6 Expediting the AHMP**

In the interest of increasing and expediting production of affordable housing, the City may elect to propose alternative financing structures to the affordable housing developments in the Pipeline. Such propositions will be made in the order of priority per the published Pipeline described in Section 8.1 above. Should the developer next in line not accept a re-structure, the City may approach the next developer in line. In addition, if the opportunity arises to shift one affordable housing development from one set-aside pool to another, with the end result being expediting the Pipeline, the City may, at its sole discretion, take advantage of that opportunity.

**8.7 Unsuccessful CTCAC Applications**

Should any development be rejected twice by CTCAC due to technical deficiencies in the application, and not due to competitiveness, the development will be moved to the end of the corresponding set-aside pipeline; in the back of the development that most recently achieved “Project Readiness.”

**8.8 Coordination with City of Los Angeles Housing Authority (HACLA)**

The coordination between the LAHD and HACLA and the mutual selection and ultimate award of Project-based Vouchers and Veterans Affairs Supportive Housing Vouchers, will take into consideration the City’s early selection process and resulting active pipeline management.

**8.9 Tax-exempt Bond/4% LIHTC Projects with non-City Enforceable Commitments**

The City will accept applications through its Notice of Funding Availability, until further notice, from affordable housing developments seeking City-administered financial resources to finalize a Bond/4% LIHTC transaction. Affordable housing developments applying under this caveat must meet all Threshold Criteria in Section 2, with the added stipulations that, (1) the request for City-administered financial resources cannot exceed the loan limits described in Section 2.4 above, (2) the average affordability of the proposed affordable housing development must be in accordance with Section 2.18 above, and (3) must meet the minimum requirements of the most restrictive funding source.

**8.10 Intentionally Left Blank**

**8.11 Other City-Administered Funds**

From time to time, the City may administer additional funds for multi-family affordable housing developments (e.g. Neighborhood Stabilization Funds, or Sustainable Building Funds from the Los Angeles Department of Water and Power, etc.). The City will

coordinate the award and disbursement of said funds in alignment with, and as a part of, the Pipeline.

**8.12 Timing of Applying for a non-City Controlled Financial Resource**

The LAHD and applicant/developer shall mutually agree on the timing by which a project shall be required to apply for funding from a leveraging source that is originally identified in the application, in accordance with the project's development timeline. At its sole discretion, the LAHD shall allow applicants/developers to revise financing strategies for their project, **if and only if** 1) there are changes to the leveraging source's regulations, regulatory requirements, or scoring criteria that make the pipeline project ineligible or noncompetitive, or 2) there are new funding sources that become available, or 3) there is an alternate project in the AHMP pipeline that can be utilized as a substitute for a 9% LIHTC project that is requesting to switch its financial structure to 4% LIHTC/Bonds. In these cases, an applicant/developer shall submit a revised financing strategy to LAHD. The revised financing strategy must be submitted to LAHD no later than sixty (60) calendar days prior to the leveraging source's application deadline. The applicant/developer must receive LAHD's written approval of the revised financing plan in order to avail of other City-controlled documents, e.g. Letter of Support, Article 34, Funding Award Letter, etc.

In addition, if the applicant/developer fails to submit this request within the specified time, then LAHD shall re-calculate the project's score that was utilized for the LAHD NOFA ranking. If the recalculated score is less than the total point score of the lowest ranking project in the sort order in which the project competed, then the project may be excluded from the Pipeline list.

In accordance with Section 1.10.8 LAHD reserves the right to withdraw its funding commitment if misrepresentations were made regarding the borrowing entity or the project financing.

**8.13 LAHD's Compliance to HUD HOME Funding Requirements**

The management of the projects in the pipeline shall be in a manner that ensures LAHD's compliance with HUD's commitment, funding, and expenditure requirements. All AHMP Pipeline projects shall comply with all applicable federal, state and local laws, as may be amended from time to time. Per Section 1.2, regardless of the leveraged funding source, all projects are to 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.

**SECTION 9**  
**RELATIONSHIP BETWEEN**  
**SET-ASIDE AND GEOGRAPHIC APPORTIONMENT PROJECTS**

**9.1 Disallowed Unintentional Bumping**

If a development is not competitive enough to be awarded 9% LIHTC from the set-aside pool under which it applied, the applicant/developer will be required to withdraw the application. This condition will be initially documented in the PRA, and further documented in any commitment of Public Funds issued for inclusion in the development's 9% LIHTC application. Any such development that does not get funded from the set-aside under which it applied shall apply one more time under the same set-aside at the next available CTCAC Funding Round. Prior to re-application, the City and the applicant/developer will evaluate the development's competitiveness and make adjustments, as appropriate.

**9.2 Intentional Bumping**

If an affordable housing development re-applies for 9% LIHTC under the same set-aside under which it was previously denied funding, and after which the City and the applicant/developer re-evaluated said project and re-positioned it for competitiveness, and subsequently gets bumped into the City of Los Angeles Geographic Pool, the City may allow, at its sole discretion, the intentional drop into the City of Los Angeles Geographic Apportionment.

**9.3 Re-structuring Developments**

To allow the City to expedite the flow of projects through the Pipeline, and/or to allow the LAHD to meet HUD's requirements for commitments, funding, and expenditures, the LAHD may opt to re-structure bumped or unsuccessful developments. For example:

- If the LAHD allows for the drop of a set-aside development into the City of Los Angeles Geographic Apportionment, thereby bumping out of funding range a City of Los Angeles Geographic Pool applicant, the City may opt to re-structure the bumped development as a Bond with 4% LIHTC and additional HOME funds;
- As a general practice, if a Pipeline project has an expiring commitment from another public agency e.g. LA County CDC and/or HACLA, and is unsuccessful in a CTCAC Funding Round, and LAHD perceives that the project will require additional subsidy to make its final CTCAC tiebreaker score competitive, and as a result of adding more public subsidy, the difference between the dollars raised in selling competitive 9% credits and the 4% credits, will significantly decrease, the LAHD may opt to re-structure the development as a Bond with 4% LIHTC and additional HOME Funds;
- The LAHD may, from time to time, elect to issue its consent to re-structure a pipeline project to allow LAHD to meet HUD's commitment, funding, and expenditure requirements. Only in such cases, LAHD in its sole discretion, may use the most current subsidy limits under the HUD HOME Program, in place of the LAHD maximum subsidy limits regardless of the leveraging source or housing

type. In cases where HUD may adjust these limits, the LAHD limits will be adjusted accordingly, as applied to this section.



**SECTION 10**  
**OTHER CITY-ADMINISTERED RESOURCES**

**10.1 Local Review Letter**

The CTCAC application requires a Local Review Letter for each development seeking 9% LIHTC. The City, through LAHD, issues the Local Review Letter for developments located within the City. The City will issue local support letters in alignment with, and as a part of, the Pipeline.

**10.2 Land Use Covenant for Affordable Housing**

The City processes land use covenants whereby affordable housing developers are granted density bonuses and/or parking reductions in exchange for building affordable housing. The City will process land use covenants in alignment with, and as a part of, the Pipeline.

**10.3 Support for the Issuance of Building Permits**

All new construction and significant rehabilitation requires building permits issued by the City through the Department of Building and Safety. When required by established protocols, the Department of Building and Safety consults and seeks the concurrence of LAHD prior to issuing a building permit. The LAHD will support the issuance of building permits in alignment with, and as a part of, the Pipeline.

**10.4 Affordable Housing Exemption**

The City, through LAHD, administers an affordable housing exemption to the Rent Stabilization Ordinance (RSO). Among other benefits, the affordable housing exemption allows owners to base rent increases on HUD published income limits, and not the City's annual rent increases. The City will process affordable housing exemptions in alignment with, and as a part of, the Pipeline.

**AHMP REGULATIONS  
NOTICE OF FUNDING AVAILABILITY DOCUMENT CHECKLIST**

<b>THRESHOLD ITEMS</b>
Applicable items from the following list must be completed and submitted with the AHMP application:
Att_2.1 – Completed UNOFA application and Financial Proforma
Att_2.1.1 – Supplemental AHSC Application Questionnaire/Workbook
Att_2.2.1 – Preliminary Title Report dated within 90 days of app deadline; and Evidence of Site Control
Att_2.2.2 - Voluntary Acquisition Letter with proof/s of service
Att_2.2.3 – Retroactive Voluntary Acquisition Letter
Att_2.2.3 (1) - Gen. Info. Notice - Residential Tenant Not to be Displaced
Att_2.2.3(2) - Gen. Info Notice - Residential Tenant Who May Be Displaced
Att_2.2.3(4) – Gen. Info Notice – Commercial Tenant Who May Be Displaced
Att_2.5 - Applicant's/Borrower's Certification Statement
Att_2.6.1.4 – List of Properties
Att_2.8 – Minimum Level of Equity; Contributed Land Agreement
Att_2.9.1 - Organization Chart
Att_2.9.3 - List of Entities and Names of Partners
Att_2.9.4 – Credit Check Authorization Form
Att_2.9.5 - List of Board of Directors, signed and dated
Att_2.9.7 – Board Resolution
Att_2.10 – Dated color photographs of project site & all properties surrounding the site; Project description; list of properties that appear to be historic, if any.
Att_2.12.1 - Appraisal Report
Att_2.12.2 - Phase I Report; or Phase I Report including Phase II Report if needed
Att_2.12.3 - Lead & Asbestos Report(s); or Letter(s) in lieu of report(s)
Att_2.13 – Assurances and Conditions Form
Att_2.14 (1) – Affordable Housing Entitlement Self-Certification Form
Att_2.14(2) – Transit-Oriented Communities (TOC) Affordable Housing Referral Form
Att_2.15 – Letter from LAHSA re: Family CES ( <i>if applicable</i> )
Att_2.16 – Conceptual Architectural Plans or Schematics

Att_2.17 – LAHD Competitive Criteria Self-Score Form
Att_2.18 – Copy of Section D(2) Lowest Income for 10% from Points System Tab of TCAC Application
Att_2.20 (1) – Relocation Plan
Att_2.20 (2) – Relocation Consultant’s Resume / Qualifications
Att_2.20 (3) – Relocation Tenant Rent Roll
Att_2.20 (4) – Relocation – Project Summary Assessment
Att_2.23 – Soils Report, or Affidavit from General Partners, Pertaining to Soils Report
Att_2.24 – Self-Certification Form for Compliance to Access Standards
Att_2.25 – Construction Cost Estimate and Certification by a 3 <sup>rd</sup> party estimator

<b>ADDITIONAL ITEMS IN ORDER TO RECEIVE POINTS UNDER SECTION 5</b> <i>(If applicant is proposing to garner competitive criteria points under committed funding sources, general partner/management company experience, CHDO certification, Enhanced Accessibility Program, etc):</i>
Att_5.1.1.A – Evidence of Entitlement Approval/Entitlement Application Submittal
Att_5.1.1.B – Copy of the completed “Points System” Tab of TCAC Application
Att_5.1.2 – Committed Funding Sources – Evidence of Enforceable Commitments
Att_5.2.1 – General Partner Experience List of Projects in Operation and Certification from a Third Party Certified Public Accountant, and Resume/Curriculum Vitae of Key Person
Att_5.2.2 – CHDO Certification
Att_5.2.3.A – BIPOCS: Executed Partnership Agreement, or
Att_5.2.3.B – Certification from a third-party CPA, Resume/ Curriculum Vitae of the BIPOC Key Person and Certificate of Occupancy,
Att_5.2.4 – Property Management Company Experience and Letter of Interest from the Property Management Company
Att_5.3.1.A – ZIMAS Report for the proposed site/s
Att_5.3.1.B – Screen print of a TCAC Opportunity Map for the proposed site
Att_5.3.2 – ELI Units - Copy of Section D(2) Lowest Income for 10% from Points System Tab of TCAC Application
Att_5.4 – Completed Enhanced Accessibility Program checklist and signed certification form

## **EXHIBIT C: MEASURE UNITED TO HOUSE LA**

Measure ULA attached on the page to follow

# INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Committee of proponents, who are registered voters of the City of Los Angeles, sponsoring the petition:

Takao Suzuki Nora Darlin Hernandez Eli Lipmen Antonio Sanchez Steve Diaz

As required by the Charter, the City Attorney has prepared the following official petition title and official petition summary of the primary provisions of this initiative ordinance measure to be adopted by the City Council or submitted directly to the voters.

## FUNDING FOR AFFORDABLE HOUSING AND TENANT ASSISTANCE PROGRAMS THROUGH A SPECIAL TAX ON REAL PROPERTY TRANSFERS OVER \$5 MILLION. INITIATIVE ORDINANCE.

The proposed ordinance would establish and authorize programs to increase affordable housing and provide resources to tenants at risk of homelessness. Programs would be funded through an additional tax on sales and transfers of real property exceeding certain thresholds. The tax rate would be 4% of the consideration or value when the property transferred exceeds \$5 million but is less than \$10 million, and 5.5% when the property transferred is \$10 million or more. Qualified affordable-housing organizations would be exempt from the new tax. Program funds would be allocated primarily for supportive and affordable housing programs, including development, construction, acquisition, rehabilitation, and operation of housing. Funds also would be allocated for financial, educational, and other resources to low-income and other tenants at risk of homelessness, displacement, or eviction. The ordinance would create a Citizen Oversight Committee to develop funding guidelines, conduct housing-needs assessments, monitor program implementation, and audit fund expenditures.

### TEXT OF THE PROPOSED MEASURE

#### **Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA”)**

**SECTION 1:** The People of the City of Los Angeles hereby find:

- a. Rising rents, widespread tenant evictions and a lack of affordable housing have made Los Angeles the city with the worst housing and homelessness crisis in the country.
- b. A household is considered cost burdened when they are paying more than 30% of their household income on housing costs. In 2019, the City of Los Angeles (“the City” or “City”) had a higher percentage of cost-burdened renter households (59%) than any other major American city. About 32% of City renters are severely cost-burdened, meaning they spend over 50% of their income on rent. As families overspend on housing costs, they have less in their budget for health care, childcare, education, healthy food, savings and retirement, and other household costs. In addition to impacting the health, education, and economic outcomes of the City’s residents, this has far-reaching economic impacts as Angelenos spend less at local businesses. Furthermore, young people and people in Lower Income Households are leaving the region specifically due to high housing costs, a dynamic that regional economists have cited as a key concern for the City’s prospects for economic growth and that local businesses are contending with as they search for employees.
- c. Among the 42% of City seniors (people aged 65 years and older) who rent, 65% are cost burdened. Among the 58% of seniors who own their homes, more than 38% are cost burdened. Longstanding housing unaffordability strains residential stability particularly for young people,

seniors, people in Lower Income Households, and their communities. The two age groups in the City with the highest rates of rent burden are young people aged 18-24 years and seniors aged 65 years and older.

d. One of the primary dynamics underlying the housing crisis is that rents are increasing faster than wages. The median household income in 2019 was \$62,142, less than that of the county or state. Twenty-two percent of City families make less than \$25,000/year and 42% make less than \$50,000/year. Wages have fallen far behind the cost of living in the City; the top five projected occupations through 2028 all have a median income of less than \$31,250, indicating an urgent need for housing for people in Acutely, Extremely and Very Low Income Households.

e. The COVID-19 pandemic has further exacerbated housing instability among the City's lowest wage earners and makes them more susceptible to falling into homelessness.

f. In 2020, 41,290 people were experiencing homelessness in the City of Los Angeles. About 70% of this population remains unsheltered, living on the sidewalks, under the bridges, and in the parks of the City. This has amounted to a humanitarian crisis, largely caused by government inaction.

g. Despite a sustained increase in effectively housing people who are unhoused in the City of Los Angeles, in 2020, there was a 16.1% increase (to 41,290) homeless persons in the City, largely because of the economic pressures of lost jobs, evictions or rising rents. Effective preventative interventions, including significantly increasing the production of affordable and supportive housing and strengthening tenant protections, could dramatically reverse this pattern and reduce the number of persons who are experiencing homelessness on our streets.

h. An estimated 30,000 formal evictions are filed in the City of Los Angeles each year and the vast majority of tenants who receive an eviction notice do not have access to an attorney and do not know how to exercise their rights. Eviction cases can be very complicated and technical; it is difficult to successfully defend an eviction case without a lawyer. Providing counsel to people facing eviction can prevent and reduce homelessness; in locales where a right to counsel exists, approximately 86% of represented tenants stay housed.

i. As rents continue to rise across the City, the incentive is strong to push out tenants in rent-stabilized apartments and harassment is a primary driver of informal evictions.

j. The lack of access to affordable, healthy, and stable housing is an ongoing issue that will require serious policy interventions and sustained public funding. Despite the City's historic and continued effort to secure and allocate funding for affordable housing, one of the main drivers of this crisis is lack of sufficient revenue to preserve and produce affordable homes and lack of adequate funding to support tenants to stay in their homes.

k. The City of Los Angeles routinely falls far short of the affordable housing allocations in its Regional Housing Needs Assessment and will continue to do so without additional policy interventions such as a dedicated funding source.

l. The City's 2021-2029 Housing Element includes numerous affordable housing and homelessness prevention goals and implementation programs, including: Program 20 to support additional permanent sources of affordable housing and renter protection funding for the City, including options for generating funds locally, including a progressive real estate documentary transfer tax; Program 16 to prioritize public land for new models of affordable housing development and control, including

Community Land Trusts or social/public housing; and Program 88 to implement an Eviction Defense Program and evaluate a tenant's "Right to Counsel" Program. New funding for these Programs will help the City comply with its 2021-2029 Housing Element and meet its Regional Housing Needs Assessment obligations for this housing element cycle and in future cycles.

m. Regular public transit riders primarily in the City of Los Angeles tend to be Acutely, Extremely and Very Low Income; half of bus riders surveyed by the Los Angeles Metropolitan Transportation Authority ("LA Metro") onboard LA Metro's buses earned less than \$18,000 per year before the COVID-19 pandemic. Displacement of transit rider households from the City's transit-rich urban areas contributes to drops in transit ridership overall. This negatively impacts the City's air quality and traffic congestion and is a major obstacle in addressing our region's carbon emissions.

n. Areas of the City with the lowest rate of affordable housing production occur in the City's Highest and High Opportunity ("High Opportunity") areas, which reflect those areas high level of access to economic opportunities, resources, and amenities according to the Opportunity Area Maps from the State of California Tax Credit Allocation Committee and the State of California Housing and Community Development Department. A 2021 report by the City of Los Angeles's Department of City Planning and Housing Departments found that only 6% of subsidized affordable housing was built in the City's High Opportunity areas.

o. New funding and programs for affordable housing and homelessness prevention are needed to supplement the City's existing funding and programs.

p. Increasing the Real Property Transfer Tax on the highest priced properties in the City will generate an ongoing revenue source which will allow the City to employ robust tenant stabilization policies and practices to proactively keep vulnerable households from losing their homes and instead build significant numbers of homes that are affordable to the City's Lower Income Households, thereby directly preventing and reducing homelessness across the City and lowering the City's housing costs.

q. The initiative will protect renters, including seniors in Lower Income Households and persons with disabilities, from being forced into homelessness or otherwise displaced by (a) providing short-term emergency funding to tenant households at risk of becoming homeless; (b) providing income support for rent-burdened at-risk seniors and persons with disabilities; (c) providing tenant outreach, education and navigation services; (d) providing legal services to tenants in Lower Income Households threatened with eviction; and (e) monitoring, enforcing and informing tenants of City protections against tenant harassment.

r. The initiative will increase the development and preservation of homes affordable to people in Lower Income Households by: (a) Investing in new and existing models of affordable multifamily development; (b) Building on current practices for public or community acquisition of rental housing so as to provide permanent affordability and allow community and/or public sector ownership; (c) Innovating housing production strategies that emphasize permanent affordability, utilize innovative funding strategies, expand ownership methods and use leading edge construction technologies; (d) Using funds for development-based rent subsidies to help create affordable housing options for Extremely Low Income Households; and (e) Ensuring that program funds are invested to not only develop affordable housing but also to foster production creativity and long-term goal setting.

s. The programs and policies funded through this initiative will be deployed in such a way as to

address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities.

t. Article XXXIV of the Constitution of the State of California (“Article XXXIV”) provides that no low-rent housing project shall be developed, constructed, or acquired in any manner by any state public body until a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the project, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election;

u. The City of Los Angeles and its residents will directly benefit from the development, construction, acquisition, and administration of additional dwelling units for families and households of low income.

v. It is the intention of the voters in adopting this initiative to ensure that tax proceeds from the Homelessness and Housing Solutions Tax be used to fund the purposes set forth in the House LA Program.

Now THEREFORE, based on these findings, the people declare that the City of Los Angeles adopt the legislation contained herein to protect tenants, produce, and preserve affordable housing, and prevent homelessness.

**SECTION 2:** Chapter II, Article 1.9 of the City of Los Angeles Municipal Code is hereby amended as follows (with ~~strikethrough~~ indicating deleted text, and *italics* indicating new text):

**SEC. 21.9.2. TAX IMPOSED.**

(a) There is hereby imposed on each deed, instrument or writing by which any lands, tenements, or other realty sold within the City of Los Angeles shall be granted, assigned, transferred or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or their direction, when the consideration or value of the interest or property conveyed (exclusive of the value of any lien or encumbrance remaining thereon at the time of sale) exceeds \$100.00, a tax at the rate of \$2.25 for each \$500.00 or fractional part thereof.

(b) *In addition to and separate from any tax imposed under Subsection (a) of this section, starting on April 1, 2023, there is hereby imposed a tax known as the “Homelessness and Housing Solutions Tax” on each deed, instrument or writing by which any lands, tenements, or other realty sold within the City of Los Angeles shall be granted, assigned, transferred or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or their direction, when the consideration or value of the interest or property conveyed (including the value of any lien or encumbrance remaining thereon at the time of sale) exceeds:*

*(1) \$5,000,000 but is less than \$10,000,000, a tax at the rate of 4% of the consideration or value; or*

*(2) \$10,000,000 or greater, a tax at the rate of 5.5% of the consideration or value.*

(c) *The Director of Finance for the City of Los Angeles shall adjust the consideration or value thresholds set forth in Subsection (b) of this section adjusted annually based on the Bureau of Labor Statistics Chained Consumer Price Index (C-CPI-U), pursuant to guidelines and procedures he or*



*she establish pursuant to Subsection (c) of Section 21.9.11 of this Code.*

#### **SEC. 21.9.11. DUTIES OF CLERK.**

(a) The Director of Finance, in his capacity as Tax Collector of the City of Los Angeles, is hereby designated as the officer of the City responsible for maintaining relations with the County of Los Angeles for the purpose of administering the tax imposed under this article and receiving and accounting for the funds collected thereunder.

(b) If the County of Los Angeles does not collect ~~the~~ a tax due under this article, *or any portion of such tax*, then the Director of Finance shall have the power and duty to enforce all of the provisions of this article. In such case, the City taxes ~~is~~ *are* due prior to recordation with the County of Los Angeles of any written instrument subject to the tax and the Director of Finance may make an assessment for taxes not paid in the manner provided in Section 21.16 of this Code, and make refunds as provided in Section 22.13 of this Code.

*(c) The Director of Finance is authorized and empowered, consistent with applicable law and the purposes of this article, to issue any rules and regulations reasonably necessary to enforce and administer this article, including but not limited to regulations further defining the term “realty sold” in Section 21.9.2 of this article and establishing procedures for administering exemptions to the tax imposed under this article. The Director of Finance shall provide reasonable notice prior to the effective date of any rules or regulations promulgated pursuant to this section.*

#### **SEC. 21.9.14. EXEMPTION—QUALIFIED AFFORDABLE HOUSING ORGANIZATION**

*The Homelessness and Housing Solutions Tax imposed by Subsection (b) of Section 21.9.2 of this Code shall not apply with respect to any deed, instrument or writing by which any lands, tenements, or other realty sold within the City of Los Angeles shall be granted, assigned, transferred or otherwise conveyed to, or vested in, a purchaser or purchasers, or any other person or persons, by his or their direction if such transferee is: (1) a non-profit entity within Internal Revenue Code Section 501(c) (3); (2) a Community Land Trust, as defined in Section 22.618.2 of the Los Angeles Administrative Code; (3) a Limited-Equity Housing Cooperative, as defined by California Civil Code Section 817; or (4) a limited partnership or limited liability company in which only bona fide nonprofit corporations, Community Land Trusts, and/or Limited-Equity Housing Cooperatives are the general partners or managing members. To qualify for an exemption under this section, the transferees or one of its partners or members must demonstrate a history of affordable housing development and/or affordable housing property management experience, as determined by the Los Angeles Housing Department, or its successor agency, according to a procedure that will be promulgated by the Los Angeles Housing Department, or its successor agency. Community Land Trusts and Limited-Equity Housing Cooperatives may qualify for an exemption under this subsection without demonstrating a history of affordable housing development and/or affordable housing property management experience by (a) partnering with experienced non-profit organizations as the Los Angeles Housing Department, or its successor agency, defines those terms consistently with the purpose of Article 9 of Chapter 24 of Division 22 of the Los Angeles Administrative Code; or (b) recording at the time of acquisition an affordability covenant consistent with Section 22.618.3(d)(1)(i).b. of the Los Angeles Administrative Code.*

#### **SECTION 21.9.15 OTHER EXEMPTIONS**

*The Homelessness and Housing Solutions Tax imposed by Subsection (b) of Section 21.9.2 of this Code shall not apply with respect to any deed, instrument or writing by which any lands, tenements, or*

*other realty sold within the City of Los Angeles shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, if such transferee is:*

*(a) a non-profit entity within Internal Revenue Code Section 501(c)(3), which received its initial Internal Revenue Service Determination Letter at least ten years prior to the purchase and has assets of less than \$1 billion;*

*(b) the United States or any agency or instrumentality thereof, any state or territory, or political subdivision thereof, or any other federal, state, or local public agency or public entity; or*

*(c) any other transferee exempt from the City's taxation power under the state or federal Constitutions.*

***SEC. 21.9.16. ADDITIONAL EXEMPTIONS—CITY COUNCIL APPROVAL***

*The People of the City Los Angeles authorize the City Council to enact ordinances, without further voter approval, to exempt from the Homelessness and Housing Solutions Tax imposed by Subsection (b) of Section 21.9.2 of this article property acquired by non-profit organizations to produce income-restricted affordable housing, as the Council may define those terms consistently with the purposes set forth in Article 9 of Chapter 24 of Division 22 of the Los Angeles Administrative Code.*

**SECTION 3:** A new Chapter 192 is added to Division 5 of the Los Angeles Administrative Code, as follows:

**SEC. 5.598.1. HOUSE LA FUND**

*(a) There is hereby created and established within the Treasury of the City of Los Angeles a special trust fund to be known as the House LA Fund for the deposit and use of all taxes collected pursuant to Subsection (b) of Section 21.9.2 of the Los Angeles Municipal Code. Money in the House LA Fund shall be used exclusively according to the program set forth in Article 9 of Chapter 24 of Division 22 of the Los Angeles Administrative Code (the Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA Program”)).*

*(b) All interest earnings accruing on money in the House LA Fund shall be credited to, and used for, the purposes of the House LA Fund. Money not expended from the House LA Fund in any fiscal year shall not revert to the Reserve Fund, but shall remain in the House LA Fund.*

*(c) Any program income generated through the House LA Program, including but not limited to any loan repayments, value recapture, or return of assets generated by the House LA Fund must be re-deposited into the House LA Fund, and shall not be commingled in any other City Fund or used for any purposes other than those described in Article 9 of Chapter 24 of Division 22 of the Los Angeles Administrative Code.*

*(d) The House LA Fund shall be administered by the General Manager of the Los Angeles Housing Department, or any successor agency (“Department”), or a designee of the General Manager, in strict accordance with the provisions of Article 9 of Chapter 24 of Division 22 of the Los Angeles Administrative Code.*

*(e) The City Council may establish by ordinance any additional funds, or accounts within this fund, necessary to implement this initiative and the expenditures described in Section 22.618.3 of this*

Code.

**SECTION 4:** A new Article 9 is added to Chapter 24 of Division 22 of the Los Angeles Administrative Code, as follows:

**SEC. 22.618.1. PURPOSE.**

*The goals of House LA include:*

*(a) Improving access to permanently affordable housing for vulnerable populations including but not limited to seniors in Lower Income Households, formerly homeless, persons with disabilities, veterans, single-parent households, youth in transition, and survivors of domestic violence.*

*(b) Addressing the City's residents' need for affordable housing and tenant protections in each of the Council Districts, Affirmatively Furthering Fair Housing goals, Housing Element goals and Regional Housing Needs Assessment affordable housing allocations.*

*(c) Prioritizing expenditure of housing production funding for Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, and Low Income Households categories and prioritizing expenditure of rental subsidy funding for Acutely Low Income Households and Extremely Low Income Households categories.*

*(d) Developing, reviewing, and revising a plan to build the capacity of organizations with workplaces located in and/or which serve constituents in Disadvantaged Communities, and to prioritize and enable the organizations' participation in implementation of House LA.*

*(e) Increasing the supply of affordable housing served by transit, and providing housing stability and tenant protections in communities served by transit.*

*(f) Deploying programs and policies funded through this initiative in such a way as to address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities.*

*(g) Utilizing public land for affordable housing produced through this program, including but not limited to underutilized land owned by the City of Los Angeles, Los Angeles Community College District, Los Angeles Unified School District, Los Angeles County Metropolitan Transportation Authority, or other government agencies.*

*(h) Establishing and resourcing a Citizens Oversight Committee that will be responsible for reviewing these goals every three years and making adjustments to the program guidelines adopted pursuant to Section 22.618.6(c)(1) of this Code as needed to address the aforementioned goals.*

*(i) Establishing new funding and programs for the creation, preservation and acquisition of affordable housing and homelessness prevention that supplement existing City funding and programs.*

*(j) Ensuring that construction and rehabilitation work is performed under the labor standards set forth in Section 22.618.7*

**SEC. 22.618.2. DEFINITIONS.**

*"Acutely Low Income Households" shall have the same meaning as in Section 50063.5 of the California Health and Safety Code.*

*“Extremely Low Income Households” shall have the same meaning as in Section 50106 of the California Health and Safety Code.*

*“Very Low Income Households” shall have the same meaning as in Section 50105 of the California Health and Safety Code.*

*“Low Income Households” shall mean Lower Income Households whose gross incomes exceed the maximum for Very Low Income Households.*

*“Lower Income Households” shall have the same meaning as in Section 50079.5 of the California Health and Safety Code.*

*“Moderate Income Households” shall have the same meaning as the term “Persons and families of moderate income” as defined in Section 50093(b) of the California Health and Safety Code.*

*“Affirmatively Furthering Fair Housing” shall have the same meaning as in Section 8899.50 of the California Government Code.*

*“Community Land Trust” means a non-profit corporation within Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following: (I) Has as its primary purposes the creation and maintenance of permanently affordable single-family or multifamily residences; (II) All dwellings and units located on the land owned by the non-profit corporation are sold to a qualified owner to be occupied as the qualified owner’s primary residence or rented to Lower Income Households or Moderate Income Households, or held by the non-profit corporation for the same purpose; (III) When a dwelling or unit that is situated on land owned by the non-profit corporation is sold to a qualified owner, the land is leased by the non-profit corporation to the income-qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years.*

*“Disadvantaged Communities” as defined in Section 65302(h)(4)(A) of the California Government Code.*

*“Limited-Equity Housing Cooperative” shall have the same meaning as in Section 817 of the California Civil Code.*

*“Residential Hotel” shall have the same meaning as in Section 50519(b)(1) of the California Health and Safety Code.*

### **SEC. 22.618.3. HOUSE LA PROGRAMS**

*(a) Subject to the budgetary and fiscal provisions of the Los Angeles City Charter, monies in the House LA Fund, as set forth in Chapter 192 of Division 5 of this Code, shall be appropriated on an annual or supplemental basis, following the procedures set forth in Section 22.618.4 of this Code, and expended consistently with this section (the “House LA Programs”).*

*(b) **House LA Fund-Administration.** No more than 8% of the monies deposited in the House LA Fund annually may be used for compliance, implementation and administration (“House LA Fund-Administration”) described below, including but not limited to the enforcement of affordability covenants associated with House LA Program projects, and, in coordination with the Finance Director and other City departments, the collection of the tax imposed by Subsection (b) of Section 21.9.2 of the Los Angeles Municipal Code and the refund of any overpayments of that tax. Not less than 3% of the monies allocated to the House LA Fund-Administration annually shall go to staffing*



*and other expenses of the House LA Citizens Oversight Committee described in Section 22.618.6 of this Code. Additionally, staffing costs, stipends and honoraria that may be allocated to the Tenant Council pursuant to Section 22.618.3(d)(2)(ii).d. of this Code shall be paid for from the House LA Fund-Administration. Furthermore, the Department may fund training in processes and procedures related to project labor agreements, and may provide project labor agreement management services to contractors. For purposes of this subdivision, “project labor agreement” has the same meaning as Section 2500(b)(1) of the California Public Contract Code.*

*(c) To enable transparency and accountability, House LA Fund-Administration monies shall be allocated to track, and make publicly available, reports on the implementation of the program, including but not limited to the following aspects: 1) dollars spent on housing construction and preservation during a year, over the course of years, in aggregate, per project, per housing unit, and to disaggregate and assess implementation of the program by Zip Code and Council District; 2) number of people housed during a year; over the course of years, in aggregate and as it changes over time, in each project, in each unit, and disaggregate and searchable by race, family composition, sexual orientation, age, ability, and gender, and by location and income level, and 3) residents served by the Homelessness Prevention Program during a year, over the course of years, in aggregate and as it changes over time, by Council District, and disaggregate and searchable by race, family composition, sexual orientation, age, ability, and gender. City departments shall make public and provide the Oversight Committee with information on how House LA implementation is furthering progress towards Housing Element implementation, Regional Housing Needs Assessment allocations, and Affirmatively Furthering Fair Housing.*

*(d) **House LA Fund-Programs.** All monies deposited in the House LA Fund annually other than those described in Subsections (b) and (c) of this section, but in no case less than 92% of the House LA Fund shall be used for the programs specified in Section 22.618.3(d)(1), known as the “Affordable Housing Program” and Section 22.618.3(d)(2), known as the “Homelessness Prevention Program,” and collectively as “House LA Fund-Programs.” The House LA Fund-Programs shall be allocated as follows:*

*(1) **Affordable Housing Program.** Seventy percent (70%) of the House LA Fund-Programs shall be used for the Affordable Housing Program as described by this subdivision and, according to an expenditure plan adopted pursuant to Section 22.618.4 of this Code addressing affordable housing needs in each City Council district.*

*(i) Expenditure of funds for the Affordable Housing Program shall require, to the maximum possible extent and consistently with federal and state law, that funded projects comply with the following requirements:*

*a. **Affordability.** All units in a funded project shall be affordable to and occupied by Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, or Low Income Households, except as allowed by Sections 22.618.3(d)(1)(ii).b.4. and 22.618.3(d)(1)(ii).c.4. of this Code. The Department shall adopt a policy to prevent the displacement of households that qualified for a unit upon initial occupancy but thereafter exceed the income limits. Such households may be charged a rent commensurate with their current income levels.*

*b. **Covenants.** The programs described in Sections 22.618.3(d)(1)(ii).a.-c.*

*of this Code, including the Multifamily Affordable Housing program, the Alternative Models for Permanent Affordable Housing program, and the Acquisition and Rehabilitation of Affordable Housing program, are intended to provide dedicated housing that is affordable to households at the respective levels of income (e.g., Acutely Low Income, Extremely Low Income, Very Low Income, and Low Income Households) that occupy the housing units, whether as owner-occupants or tenants, and whose housing cost or rent does not exceed the affordable housing cost or affordable rent for households at such income levels. Each property and each affordable housing unit funded pursuant to Sections 22.618.3(d)(1)(ii).a.-c. of this Code shall be made subject to a recorded covenant acceptable to the Department and recorded with the Los Angeles County Recorder, that meets each of the following requirements:*

- 1. Each housing unit in the project shall be used exclusively as a residence for households at the respective income level.*
- 2. The housing cost or rent for such housing unit shall be no more than an affordable housing cost or affordable rent at the respective level of income.*
- 3. No housing unit may be leased or subleased, except to a household at the level of affordability and for no more than an affordable rent for which the unit was dedicated.*
- 4. Any resale of rental property funded by this initiative shall be restricted to non-profit entities or Limited-Equity Housing Cooperatives, including but not limited to affordable housing corporations and Community Land Trusts, to ensure the continued use of the dwelling units as affordable housing as provided in this section.*
- 5. In the case of owner-occupied housing units, initial sales and all resales shall be restricted to purchasers whose household income does not exceed the income level to which the unit is dedicated and who do not pay in excess of affordable housing cost at that income level; or Limited-Equity Housing Cooperatives or similar entities providing for resident ownership and affordability in perpetuity with an average affordability level for Lower Income Households and which allows not more than 20% of units to be owned and occupied at unrestricted market rates. Unrestricted market rate units shall not be used to calculate average affordability of units in a project.*
- 6. The term of the affordability restrictions contained in the covenant shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law, except that an affordability covenant with a fixed term of no less than 55 years shall be acceptable only if necessary to meet requirements of other funding sources.*
- 7. The affordability restrictions shall be senior to and not subordinated*

*to any lien, deed of trust or condition or restriction to be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions.*

*c. **Replacement, Relocation and Right of First Refusal.** Funding provided pursuant to the Affordable Housing Program shall be subject to the following conditions:*

- 1. Any funded development on any property that includes a parcel or parcels that currently have residential uses, or within the five years preceding the application for funding have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to Lower Income Households, subject to any other form of rent or price control through a public entity's valid exercise of its police power; or occupied by Lower Income Households, shall comply with the requirements in California Government Code Section 65915(c)(3), provided, however, that any dwelling units that are or were, subject to a form of rent or price control through a public entity's valid exercise of its police power and that are or were occupied by a household with income above Lower Income shall be replaced with units affordable to, and occupied by, Lower Income Households. Moreover, replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy or; if the units have been vacated or demolished, those households formerly in occupancy, including Acutely Low, Extremely Low, Very Low, and Low Income Households. If the incomes of the households in occupancy, or formerly in occupancy, are not known, it shall be rebuttably presumed that (a) Extremely Low, Very Low, and Low Income Households occupied these units in the same proportion as the proportion of renter households that are Extremely Low, Very Low, and Low Income Households to all renter households within the City, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and (b) the proportion of Acutely Low Income Households is one-half the proportion of Extremely Low Income Households.*
- 2. If existing occupants must be relocated, for any period of time, the developer is required to provide them relocation benefits pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code and Chapter XV of the Los Angeles Municipal Code, including associated regulations. In order to effectuate the provisions of Chapter 16 of Division 7 of Title 1 of the Government Code, and in addition to all other relocation obligations, the developer shall prepare*

*a relocation plan, and the Department shall require the plan to offer occupants reasonable choices of specifically identified comparable replacement dwellings available at the time of the offer, for which the household qualifies and is appropriate, and which is affordable to the household.*

- 3. In addition to the relocation benefits described above, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development. For Lower Income Households, that unit must be affordable to the household at an affordable rent or an affordable housing cost. If such occupants do not meet the eligibility requirements of one or more funding sources of the new or rehabilitated housing development, or for any other reason do not occupy units in the new or rehabilitated housing development, the occupants shall be given priority in renting or buying housing in other developments funded by the Affordable Housing Program. The Department shall keep a list of occupants displaced by such developments and may establish reasonable rules for determining the order of priority of those listed.*
- 4. Nothing in this section shall be read to prohibit the City Council from adopting unit replacement requirements, relocation assistance requirements, or right of first refusal requirements that are more protective of displaced occupants than the requirements of this section. Solely for the purpose of Section 22.618.3(d)(1)(i).c. governing replacement, relocation and right of first refusal, “affordable rent” shall have the same meaning as defined in Section 50053 of the California Health and Safety Code, and “affordable housing cost” shall have the same meaning as defined in Section 50052.5 of the California Health and Safety Code.*
- d. To qualify for funding from the Affordable Housing Program, an applicant must demonstrate a history of affordable housing development and/or affordable housing property management experience, as the Department defines those terms consistently with the purpose of this article. Community Land Trusts and Limited-Equity Housing Cooperatives may qualify for funding from this initiative without demonstrating a history of affordable housing development and/or affordable housing property management experience by (a) partnering with experienced non-profit organizations, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of this article.*

*(ii) Affordable Housing Program funds shall be allocated in the following categories, according to an expenditure plan adopted pursuant to Section 22.618.4 of this Code:*

*a. **Multifamily Affordable Housing:** Twenty-two and one-half percent (22.5%) of the House LA Fund-Programs shall be annually allocated to the development of supportive and/or affordable housing projects of 40 units or greater for income-qualified populations in conjunction with other federal,*



state, and local affordable housing funding sources, such as federal Low-Income Housing Tax Credits and State Low-Income Housing Tax Credits, or to pay the principal and interest on debt incurred for such purpose. This percentage may increase up to a maximum of twenty five percent (25%) of the House LA Fund-Programs on an annual basis, using excess revenue from the Program Stabilization Fund pursuant to Section 22.618.3(d)(1)(ii).e. of this Code. All units shall be subject to a covenant that meets the requirements of Section 22.618.3(d)(1)(i).b.

**b. Alternative Models for Permanent Affordable Housing:** Twenty-two and one-half percent (22.5%) of the House LA Fund-Programs shall be annually allocated to the construction of new supportive and affordable rental or mixed rental/homeowner projects of 40 units or greater; or to pay the principal and interest on debt incurred for such purpose. These funds may also be used for the acquisition, rehabilitation, adaptive reuse, lease, preservation and operation of supportive and/or affordable or mixed rental/homeowner projects of any size, or to pay the principal and interest on debt incurred for such purpose. This percentage may increase up to a maximum of twenty five percent (25%) of the House LA Fund-Programs on an annual basis, using excess revenue from the Program Stabilization Fund pursuant to Section 22.618.3(d)(1)(ii).e. of this Code. This funding shall be subject to the following conditions:

1. Housing units shall be developed by entities qualified for funding under Section 22.618.3(d)(1)(i).d. of this Code. Housing units shall be owned and/or managed by a public entity, a local housing authority, a Community Land Trust, a Limited Equity Housing Cooperative, or a non-profit entity within Internal Revenue Code Section 501(c)(3), which demonstrates a history of affordable housing development and/or affordable housing property management experience, through a process the Department shall determine. A Community Land Trust or a Limited-Equity Housing Cooperative without a demonstrated history of affordable housing development and/or affordable housing property management experience may qualify for funding under this subsection by (a) partnering with an experienced non-profit organization, as determined by the Department and consistent with the purpose of this Article, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of this article.
2. A project may accommodate a mix of household income types including Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, and Low Income Households.
3. A minimum of 20% of a project's housing units shall be reserved for Acutely Low Income and/or Extremely Low Income households.

4. *All units shall be subject to a covenant that meets the requirements of Section 22.618.3(d)(1)(i).b., except that according to criteria established by the Department consistently with the purposes of this Article, and only for the purpose of increasing the financial stability of Acutely Low Income, Extremely Low Income, and Very Low Income Household units in the project, up to 20% of units may be unrestricted as to income and rent levels.*

5. *Residents shall have the right to participate directly and meaningfully in decision-making concerning the operation and management of the project.*

6. *Where feasible and desirable, the project shall include resident ownership, including but not limited to Limited-Equity Housing Cooperatives.*

7. *Where feasible and desirable, projects shall use public land.*

***c. Acquisition and Rehabilitation of Affordable Housing:*** *Ten percent (10%) of the House LA Fund-Programs shall annually be allocated to the acquisition, preservation, rehabilitation, lease, or operation of existing housing including but not limited to rent-controlled properties, Residential Hotels, Accessory Dwelling Units, and Junior Accessory Dwelling Units, either without existing covenants requiring affordability or with such existing covenants that will expire within ten (10) years of project onset, as the Department defines that term consistently with the purposes of this article, or to pay the principal and interest on debt incurred for such purpose, subject to the following conditions:*

1. *A majority of a property's units must be occupied by Lower Income Households upon acquisition, which shall be assumed if a majority of tenants return attestations that their incomes are at or below the lower-income level in a manner the Department shall determine. Notwithstanding the above, funds may be utilized for acquisition and rehabilitation of any property that was used as a Residential Hotel within the five years preceding the application for funding.*

2. *Housing units shall be acquired and managed by a public entity, a local housing authority, a Community Land Trust, a Limited Equity Housing Cooperative, or a non-profit entity within Internal Revenue Code Section 501(c)(3), which demonstrates a history of affordable housing development and/or affordable housing property management experience, through a process the Department shall determine. A Community Land Trust or a Limited-Equity Housing Cooperative may qualify for funding by (a) partnering with an experienced non-profit organization as defined by the Department, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, through a process determined by the Department.*

3. *All units shall be subject to a covenant that meets the requirements of Section 22.618.3(d)(1)(i).b.*

4. *Notwithstanding the affordability provisions set forth in Sections 22.618.3(d)(1)(i).a. and 22.618.3(d)(1)(i).b. of this Code, existing residents of properties acquired pursuant to this Acquisition and Rehabilitation of Affordable Housing program shall not be permanently displaced, even if their incomes exceed the Lower Income Household limits, or any lower income limit set for a unit. Projects shall achieve 100 percent occupancy by Lower Income Households (or any lower project-specific income limit) over time through unit turnover.*

5. *Through a process the Department shall determine, the entity that acquires a property shall submit a plan for engaging residents in building management and operations, which may include a plan for tenant ownership such as a Limited-Equity Housing Cooperative. The Department shall cooperate and facilitate plans for tenant ownership, and shall not unreasonably impose requirements that prohibit such ownership conversion.*

6. *Project funding may take the form of grants or loans, but shall not require the leveraging of additional forms of funding if such additional funding makes any of the conditions set forth in this subsection infeasible, or if funding precludes the future conversion of the property to tenant ownership.*

7. *Funds may be used to acquire, install, construct, or rehabilitate housing, including Accessory Dwelling Units (“ADUs”) and Junior Accessory Dwelling Units (“JDUs”), so long as all ADUs and JDUs are used as affordable rental housing or affordable homeownership. The Department may verify the use of ADUs and JDUs covered by this provision from time to time.*

8. *The Department shall facilitate the use of funds from this Acquisition and Rehabilitation of Affordable Housing program to make offers to purchase assisted housing developments which are required to provide qualified entities an opportunity to purchase under California Government Code Section 65863.11 by acting within the deadlines established by that law.*

***d. Homeownership Opportunities, Capacity-Building and Operating Assistance:*** *Ten percent (10%) of the House LA Fund-Programs shall annually be allocated to: (1) support single family and cooperative Homeownership Opportunities, including but not limited to down-payment assistance, shared equity homeownership, and pre-development funding associated with creating such housing; (2) provide Capacity-Building funding for Community Land Trusts and other organizations that serve and have representative leadership from Disadvantaged Communities and facilitate*

*tenant ownership; and (3) provide long-term Operating Assistance that supports new construction, acquisition, and/or rehabilitation of existing housing in the form of project-based, multi-year rental subsidies, operating subsidies, or service subsidies. Operating Assistance will prioritize projects housing Acutely Low Income Households and/or Extremely Low Income Households; and projects that will maintain non-profit ownership, Community Land Trust stewardship, and/or shared-equity tenant ownership. In no case shall project-based Operating Assistance funding fall below fifty percent (50%) of the Homeownership Opportunities, Capacity-Building and Operating Assistance allocation, nor shall Capacity-Building funding fall below ten percent (10%) of the Homeownership Opportunities, Capacity-Building and Operating Assistance allocation.*

*e. **Program Stabilization Fund:** Five percent (5%) of the House LA Fund-Programs shall annually be allocated to address periodic revenue shortfalls for House LA Affordable Housing and Homelessness Prevention Programs that require a consistent revenue stream, as advised by the Department and the Oversight Committee and subject to City Council approval, to include project-based Operating Assistance, Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities, Eviction Defense, and Tenant Outreach & Education programs, as those terms are used in this section. When the balance of the Program Stabilization Fund reaches two hundred million dollars (\$200 million), excess revenue shall be evenly divided between and supplement the Multifamily Affordable Housing program in Section 22.618.3(d)(1)(ii).a., and the Alternative Models for Permanent Affordable Housing program in Section 22.618.3(d)(1)(ii).b. of this Code. If the Program Stabilization Fund falls below two hundred million dollars (\$200 million), it shall be refunded to that amount before support to these two affordable housing programs may resume.*

*(iii) To the extent the expenditure of any monies from the House LA Fund results in, or contributes to, the development, construction, or acquisition of low rent housing projects in the City of Los Angeles by public agencies, that development, construction, or acquisition is hereby deemed authorized by the People of Los Angeles, having been duly approved by a majority of qualified electors of the City, and with such authorization constituting the approval required by Article XXXIV of the California Constitution. The development, construction, and/or acquisition of low rent housing units authorized by this section shall be in addition to any other authorization of the development, construction, and/or acquisition of such housing by the voters of the City before or after adoption of this section. This section in no way restricts or limits the City's authority to develop or assist in the development of housing that is not subject to Article XXXIV. This Section 22.618.3(d)(1)(iii) shall be interpreted to maximize affordable housing production and acquisition. As used in this Section 22.618.3(d)(1)(iii), the terms "public entity," "develop," "construct," "acquire," and "low rent housing projects" shall be interpreted in accordance with Article XXXIV of the California Constitution, California Health and Safety Code Section 37000 et seq., and any successor legislation thereto.*



*(iv) The Department shall have authority to approve funding of fifty million dollars (\$50,000,000) or less from the House LA Fund-Program for any eligible Affordable Housing Program project without further Council review. Such Department approval shall be consistent with the guidelines adopted pursuant to Section 22.618.6(c)(1) of this Code. Funding for any specific Affordable Housing Program project of more than fifty million dollars (\$50,000,000) shall require the review and approval of City Council.*

**(2) Homelessness Prevention Program.** *Thirty percent (30%) of the House LA Fund-Programs shall be used for the Homelessness Prevention Program, as described by this subdivision and according to an expenditure plan adopted pursuant to Section 22.618.4 of this Code:*

**(i) Short-Term Rental and Income Support for Vulnerable Tenants.**

**a. Short-Term Emergency Assistance.** *Five percent (5%) of the House LA Fund-Programs shall be annually allocated to provide short-term emergency funding to tenant households at risk of becoming homeless. Funds will stabilize low-income tenants at risk of losing their housing due to one-time economic shocks, and may cover the entirety of rent payments for a short-term period of up to 6 months. Priority eligibility shall be established for Lower Income Households.*

**b. Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities.** *Ten percent (10%) of the House LA Fund-Programs shall annually be allocated to provide income assistance designed to assist households in avoiding displacement from their homes to rent-burdened, Acutely Low Income, Extremely Low Income, and Very Low Income Households including seniors (aged 65 years and above) and/or persons with disabilities at-risk of becoming homeless.*

**(ii) Tenant Rights Education, Tenant Council, Navigation Services and Eviction Prevention.**

**a. Eviction Defense/Prevention.** *Ten percent (10%) of the House LA Fund-Programs shall annually be allocated to provide funding for a right-to-counsel program to provide housing-related legal services to Lower Income Household tenants threatened with eviction.*

**b. Tenant Outreach and Education.** *Two percent (2%) of the House LA Fund-Programs shall annually be allocated to provide tenant outreach, education, and navigation services, including but not limited to providing information about tenant rights and the Homelessness Prevention Program. Outreach, education, and navigation services may include mass mailing, targeted marketing, data visualization, and public websites.*

**c. Protections from Tenant Harassment.** *Three percent (3%) of the House LA Fund-Programs shall annually be allocated to fund non-profit organizations and City services to monitor and enforce protections against tenant harassment and other tenant rights, and to inform tenants of such protections*

*and support them in exercising their rights. At least thirty percent (30%) of the Protections from Tenant Harassment expenditure shall fund programs led by non-profit organizations.*

*d. **Tenant Council.** The Department shall establish a Tenant Council, to meet at least quarterly to monitor and advise the Department regarding implementation of tenant protections and develop strategies to address Fair Housing Act violations and violations of tenant rights under federal, state, and local law. The Tenant Council shall be composed of tenants or currently homeless individuals living in the City. The Council shall comprise one tenant or currently homeless individual from each City Council District. Appointments to the Tenant Council will be consistent with the process for appointments to the Oversight Committee, as described in Section 22.618.6 of this Code. The City Council shall seek to ensure diverse representation on the Tenant Council with respect to the income level, housing status, race, gender identity, sexual orientation, national origin, immigration status, source of income, religion, age, disability, familial status, and primary language. The Tenant Council shall be empowered to receive reports on implementation of rent relief programs, landlord opt-outs from rental assistance programs, and tenant harassment and eviction data, and may make recommendations to the Oversight Committee, to the Department and to City Council to reduce evictions and displacement and increase tenant access to legal services. Tenant Council members shall be compensated no less than \$150 for each meeting attended. Members may waive compensation.*

#### **SEC. 22.618.4 EXPENDITURE PLAN**

*(a) The House LA Fund program year will be concurrent with the City's Fiscal Year, from July 1st to June 30th.*

*(b) Between January 1, 2023 and June 30, 2023, prior to creation of the initial expenditure plan, the Department may incur expenditures up to five hundred thousand dollars (\$500,000) of funds, to be reimbursed via of the expenditure plan for Fiscal Year 2023-2024 to establish the House LA Fund and House LA Program, including establishment of the Oversight Committee, as referenced in Section 22.618.6, and Tenant Council, as referenced in Section 22.618.3(d)(2)(ii).d.*

*(c) By July 1, 2023, and by July 1st of each subsequent year, the Department shall provide to the Oversight Committee and to the City Council an accounting of House LA Program revenues collected in the previous fiscal year, by expenditure category. The Department shall also provide to the Oversight Committee and the City Council an expenditure plan for the subsequent year, which shall comply, to the maximum extent possible, with the program guidelines developed pursuant to Section 22.618.6(c) of this Code. The expenditure plan shall be approved in the manner provided by law and consistent with the intent of this article.*

*(d) Each annual expenditure plan the Department prepares pursuant to Subsection (c) of this section shall project revenues and expenditures for at least three (3) years. Except for the Program Stabilization Fund under Section 22.618.3(d)(1)(ii).e of this Code, monies in each Fund established under this article must be committed within three (3) years of receipt and expended within five (5) years of the receipt, except for funding for the Alternative Models for Permanent Affordable Housing pursuant to Section*

22.618.3(d)(1)(ii).b., which shall be committed within five (5) years and expended within seven (7) years of receipt.

**SEC. 22.618.5 REALLOCATION OF FUNDS**

*Funds may be periodically reallocated to accommodate changing needs and opportunities as follows:*

- (a) *Up to ten percent (10%) of funding for each expenditure category in Section 22.618.3(d) may be allocated for use in other expenditure categories within the same fiscal year.*
- (b) *Beginning on July 1, 2033 and every tenth year thereafter, the House LA Citizens Oversight Committee may make recommendations for, and City Council may approve, permanent changes to the expenditure categories stated in Section 22.618.3(d), provided that no expenditure category will receive less than 75% of that which was provided in the previous decade.*
- (c) *Reallocations pursuant to Subsections (a) and (b) of this section must be recommended by the House LA Citizens Oversight Committee and approved by City Council.*
- (d) *City Council may deny a recommendation from the House LA Citizens Oversight Committee or reallocate funding from one category to another other than as the Oversight Committee recommends only upon a written finding after a duly noticed public hearing that such action is necessary to achieve the intent of this article.*

**SEC. 22.618.6. CITIZEN OVERSIGHT COMMITTEE.**

*(a) The House LA Citizens Oversight Committee (“Oversight Committee”) is hereby established. By February 28, 2023, the initial group of fifteen (15) Oversight Committee members shall be appointed pursuant to this Section 22.618.6.*

*(b) The Oversight Committee shall help ensure the House LA Fund and this article are implemented consistently with the language and intent of this Article and in a way that is transparent and accountable to the residents of the City. The Oversight Committee shall monitor and audit the Fund; advise the Mayor, the Department, and the City Council on priorities and the Program Guidelines authorized by Subdivision (c)(1) of this section; make recommendations to the Department, the Mayor and the City Council regarding appropriations, Expenditure Plans, administration of the House LA Fund, and implementation of the House LA Program.*

*(c) The Oversight Committee shall have the authority to:*

*(1) Develop guidelines for prioritizing use of the House LA Funds (“Program Guidelines”). Within 120 days of any such recommendation, the City Council may accept the Oversight Committee’s recommended guidelines or amend them consistently with the purpose of this article. If the City Council does not act in that time, such guidelines shall be deemed approved;*

*(2) By December 31, 2023, and every three years thereafter, or more frequently if the Oversight Committee deems necessary, it shall conduct a needs assessment with respect to homelessness, housing affordability, tenant protections and the housing needs of vulnerable populations, including but not limited to people experiencing homelessness, seniors in Lower*

*Income Households, formerly homeless persons, persons with disabilities, veterans, single-parent households, youth in transition, survivors of domestic violence, and Lower Income Households. Any needs assessment conducted pursuant to this subsection shall, to the extent such data is available, include data disaggregated by race, family composition, sexual orientation, age, disability, and gender.*

*(3) Contract with a third-party evaluator or consultant to help conduct the housing needs assessment, measure the successes and shortcomings of expenditures of the Fund, and oversee an annual external audit of House LA Fund receipts and expenditures;*

*(4) Promote and facilitate transparency in the administration of the House LA Fund-Programs to ensure it is Affirmatively Furthering Fair Housing. This will include overseeing and reviewing reports, annually or more frequently as the Oversight Committee determines required by this article. The Oversight Committee shall monitor and/or audit the implementation of the House LA Program, including but not limited to: (A) dollars spent on housing construction and preservation during a year, over the course of years, in aggregate, per project, per housing unit, and disaggregated by Zip Code and Council District; (B) number of people housed during a year, over the course of years, in aggregate and as it changes over time, in each project, in each unit, disaggregated and searchable by race, family composition, sexual orientation, age, ability, and gender, and by location and income level (Acutely Low Income, Extremely Low Income, Very Low Income, Low Income, and Moderate Income Households); and (C) residents served by the Homelessness Prevention Program during a year, over the course of years, in aggregate and as it changes over time, by Council District, and disaggregated and searchable by race, family composition, sexual orientation, age, ability, and gender.*

*(5) The Oversight Committee shall be authorized to hold public hearings to investigate and share its findings with the public.*

*(6) The Oversight Committee may request reports from general managers of City departments, including but not limited to the Department, and chairs of City Council committees, including but not limited to the Housing Committee. The Oversight Committee shall have access to all information relevant to its work and be authorized to receive relevant information from other City entities as required under this article including information related to the Housing Element and its implementation, progress towards Regional Housing Needs Assessment allocations, and progress towards Affirmatively Furthering Fair Housing.*

*(7) The Oversight Committee shall be authorized to identify and investigate potential conflicts of interest in the allocation and implementation of funding and to make these findings known to the public.*

*(8) To promote transparency and accountability, the Oversight Committee shall hold an annual town hall to report on the progress and shortcomings of the House LA Fund-Programs and hear from the public. This will be in addition to other public meetings required by this article or which the Oversight Committee otherwise deems necessary.*

*(9) Promote culturally sensitive implementation of programs funded by the House LA*



*Program Fund.*

*(10) Based on the results of the housing needs assessment, compliance with the Housing Element, progress towards the Regional Housing Needs Assessment allocations, and progress towards Affirmatively Furthering Fair Housing, the Oversight Committee shall review programs and expenditures and make adjustments to the Program Guidelines referenced in Subdivision (c)(1) of this section to better achieve the goals of this article, including the achievement of racial equity goals and reversing of exclusionary practices, expanding affordable housing into all Council Districts to meet the need and reverse segregation, and prioritizing funding for programs focused on Acutely Low Income, Extremely Low Income, Very Low Income, and Low Income Households, and prioritizing rental subsidies to Acutely Low and Extremely Low Income Households.*

*(d) Oversight Committee Members.*

*(1) The Oversight Committee shall have thirteen (13) voting members and two (2) advisory members to support youth leadership development.*

*(2) Membership categories are as follows:*

*(i) Housing Development, Preservation & Finance.*

*a. Seat #1: An individual with at least five (5) years' experience in senior-level decision making in non-profit affordable housing development and preservation.*

*b. Seat #2: An individual with at least five (5) years' experience in non-profit asset and property management and operations, with a preference for individuals with experience in tenant-engaged management practices or resident ownership.*

*c. Seat #3: An individual with at least five (5) years' experience in housing finance (tax-exempt bonds, taxes, funding-agency work etc.).*

*d. Seat #4: An individual with at least five (5) years' experience as a member of a construction labor union involved in workforce development, apprenticeship programs and negotiating Project Labor Agreements for large-scale housing projects.*

*e. Seat #5: An individual with at least five (5) years' experience in non-profit Community Land Trusts or community development corporations.*

*f. Seat #6: An individual with at least five (5) years' experience in transit-oriented development.*

*(ii) Renter Protection & Support.*

*a. Seat #7: An individual with at least five (5) years' experience as a tenant*

*rights organizer or advocate working at a community-based organization on behalf of tenants in Lower Income Households.*

*b. Seat #8: An individual with at least five (5) years' experience as an organizer or advocate working at a community-based organization to address the housing needs of seniors and/or people with disabilities.*

*c. Seat #9: An individual with at least five (5) years' experience as a tenant rights or fair housing legal expert representing or advocating for tenants.*

*(iii) Lived Experience & Expertise.*

*a. Seat #10: An individual with at least five (5) years' experience as a tenant in a Lower Income Household and/or at least one year experiencing homelessness;*

*b. Seat #11: An individual with at least five (5) years' experience as a tenant of a Lower Income Household and/or at least one year experiencing homelessness.*

*c. Seat #12: An individual with at least five (5) years' experience as a representative of a public sector labor or service union, the members of which struggle with housing costs.*

*d. Seat #13: An individual with at least five (5) years' experience as a community leader or an organizer advocating for high-quality transit near affordable housing and job centers and for identifying mobility options associated with the production of affordable housing.*

*(iv) Youth. Seats # 14 and 15: Two advisory, non-voting members of the Oversight Committee shall be individuals between the ages of 16 and 21.*

*(3) Eligibility.*

*(i) Members of the Oversight Committee must reside in the City of Los Angeles.*

*(ii) No person currently serving as an elected City, County, special district, State or Federal public official may serve as a Committee member.*

*(iii) The City's local conflicts of interest code under the Political Reform Act is hereby amended to require members of the Oversight Committee to file annual statements of economic interests and otherwise to comply with the ethics and conflicts of interest provisions of that Act.*

*(4) Appointment.*

*(i) Initial appointments: Department staff shall submit to the Mayor at least three qualified candidates for each category of membership. The Mayor shall appoint members for each category listed in Subdivision (d)(2) of this section , subject to approval by the City Council.*

*(ii) Oversight Committee members shall serve five-year terms. However, seats 1, 2, 7, 10, and 11 shall have an initial term of three years; seats 3, 4, 8, 12, and 14 shall have an initial term of two years; and seats 5, 6, 9, 13, and 15 shall have an initial term of one year. Members may be reappointed to an unlimited number of terms at the discretion of the Mayor.*

*(iii) Subsequent appointments. After Oversight Committee staff is hired, its staff shall submit to the Mayor with at least three qualified candidates for each vacancy on the Committee. The Mayor shall appoint members, subject to approval by the City Council.*

*(5) Resignation; Disqualification. Oversight Committee members may, at any time, resign from the Oversight Committee upon written notice delivered to the Oversight Committee and the Mayor. An Oversight Committee member holding any disqualifying public office, or a Committee member's filing of intent to seek such public office, including a declaration of candidacy pursuant to California Government Code Section 85200, or an Oversight Committee member's relocation outside the City shall disqualify the member from continuing to serve on the Oversight Committee upon the Department's delivery of notice of that fact to the Oversight Committee.*

*(6) Grounds for Removal/Termination. Oversight Committee members shall only be removed before the end of a term for cause. Cause includes: (i) more than two absences from Committee meeting in a 12-month period not excused by the Committee; (ii) more than three absences from Committee meetings in a 12-month period even if excused by the Committee; (iii) failure to actively participate in meetings, committees, subcommittees, or Oversight Committee projects or responsibilities; (iv) acting in conflict with the intent or language of the initiative measure which adopted this ordinance, including opposing the construction or preservation of affordable housing; (v) disrupting the meetings or work of the Oversight Committee or failure to comply with accepted codes of conduct. (vi) failure to disclose a conflict of interest related to a decision pending before the Committee; and (vii) violation of law governing the conduct of the Oversight Committee, including but not limited to the Political Reform Act of 1975 and the Ralph M. Brown Act.*

*(7) Disclosure and Recusal. Members of the Oversight Committee must disclose any conflict of interest, either actual or apparent, as determined by the Ethics Commission. If an Oversight Committee member has a direct or indirect financial interest in a decision of the Oversight Committee, they must recuse themselves from participating in the matter and file Form 51 with the Ethics Commission (Recusal Notification Form) or any successor to that form. If a conflict of interest is alleged by either members of the Oversight Committee or City staff, the matter will be reported to the Inspector General referenced in Subdivision (g)(2) of this section to investigate and report back to the Oversight Committee as necessary. Nothing in this section shall alter or diminish the authority of the City's Ethics Commission.*

*(8) Chair and Vice-Chair. The Oversight Committee shall select from among its members a Chair and Vice-Chair for each fiscal year. Members may serve as Chair or Vice-Chair for up to three consecutive fiscal years.*

*(e) Committee Member Compensation. Oversight Committee members will be compensated for meeting attendance no less than \$150 per meeting. Members may waive compensation.*

*(f) Meetings. The Oversight Committee shall meet at least six times annually, except for the 2022-23 fiscal year, in which the Oversight Committee shall meet at least twice. Subcommittees shall meet as the Oversight Committee deems necessary.*

*(g) Staffing. The City shall provide adequate dedicated staffing to the Oversight Committee.*

*(1) The Oversight Committee determines its own staffing and resource needs subject to the limit on the House LA Fund-Administration stated in Subsection (b) of Section 22.618.3 of this article.*

*(2) The Oversight Committee shall hire an Inspector General as the lead staff person serving the Oversight Committee. The Inspector General may be removed by the City Council for such cause as is sufficient to discharge under Section 1016 of the City Charter. The Inspector General has authority to hire or fire additional staff and expend budgeted resources, as needed. The Oversight Committee shall review and approve the Inspector General's budget.*

*(h) Subcommittees.*

*(1) The Oversight Committee may create subcommittees or advisory committees to assist its work.*

*(i) Nothing in this Section shall limit the authority of the Mayor and the City Council to propose, amend, and adopt the City budget pursuant to the City Charter provided that such budget respects the allocations required by this article.*

#### **SEC. 22.618.7. CONSTRUCTION WORK.**

*(a) Any construction or rehabilitation project receiving funding or financing from this measure shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.*

*(b) All construction and rehabilitation on projects 40 units and greater that receive funding or financing from this measure will be subject to the City of Los Angeles Department of Public Works Project Labor Agreement. For purposes of this subdivision, the number of units means the maximum number of units authorized in any entitlement granted by the land use permitting authority for the development project, regardless of whether construction proceeds in phases or ownership is divided.*

*(c) If a specific measure-wide Project Labor Agreement (PLA) is 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, then contractors performing construction and rehabilitation work on projects that receive funding or financing from this measure shall be required to comply with the specific measure-wide PLA, rather than the Department of Public Works PLA.*

*(d) For purposes of this subdivision, “project labor agreement” has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.*

#### **SEC. 22.618.8. COUNCIL AUTHORITY TO AMEND**

*(a) City Council may amend this Article or any other provision of the initiative measure which adopted it, provided, however, that:*

*(1) Such amendments shall further or facilitate the purposes stated in Section 22.618.1 of this article and monies in the House LA Fund are expended consistent with Section 22.618.3 of this article;*

*(2) No such amendment may increase the tax imposed pursuant to Subsection (b) of Section 21.9.2 of the Municipal Code within the meaning of California Government Code Section 53750(h) without the voter approval required by Article XIII of the California Constitution.*

*(3) No such amendment may diminish the requirements of Section 22.618.7.*

*(b) The Oversight Committee shall review any proposed amendment to this article or any other provision of the initiative measure which adopted it before the City Council adopts the proposed amendment and may express an opinion on whether the amendment furthers the purposes stated in Section 22.618.1 of this article and is consistent with the expenditure categories in Section 22.618.3 of this article. If the Oversight Committee opines that a proposed amendment is not consistent with those purposes, the City Council shall make written findings to the contrary supported by substantial evidence in the record before it to justify proceeding with the amendment despite that opposing opinion.*

#### **SECTION 5: TERM OF MEASURE**

Upon adoption, this Los Angeles Program to Prevent Homelessness and Fund Affordable Housing Ordinance shall become effective on January 1, 2023, and shall remain in effect until repealed by the People of the City of Los Angeles.

#### **SECTION 6: APPROPRIATIONS LIMIT INCREASE**

Pursuant to California Constitution Article XIII B and applicable laws, for four years from November 3, 2022, the appropriations limit for the City shall be increased by the aggregate sum collected by the levy of the tax imposed under Subsection (b) of Section 21.9.2 of the Municipal Code.

#### **SECTION 7: SEVERABILITY**

This Act shall be interpreted so as to be consistent with all federal, state laws, local laws, rules, and regulations. If any section, subsection, subdivision, clause, sentence, phrase, or portion of this initiative measure is declared unconstitutional or invalid by a court of competent jurisdiction,

the remaining sections, subsections, subdivisions, clauses, sentences, phrases, and portions shall remain in full force and effect, and to this end the provisions of this initiative measure are severable. The voters thus declare that they would have passed all sections, subsections, subdivisions, clauses, sentences, phrases and portions of this initiative measure without the section, subsection, subdivision, clause, sentence, phrase, or portion held unconstitutional or invalid.



# MEDIDA DE INICIATIVA QUE SE PRESENTARÁ DIRECTAMENTE A LOS VOTANTES

Comité de proponentes, que son votantes registrados de la ciudad de Los Ángeles, que patrocinan la petición:

Takao Suzuki    Nora Darlin Hernández    Eli Lipmen    Antonio Sánchez    Steve Díaz

Tal y como exige la Carta, Abogado Municipal ha preparado el siguiente título oficial de petición y el resumen oficial de la petición de las disposiciones principales de esta medida de ordenanza de iniciativa que será adoptada por el Consejo de la Ciudad o sometida directamente a los votantes.

## FINANCIACIÓN DE PROGRAMAS DE VIVIENDA ASEQUIBLE Y ASISTENCIA A LOS INQUILINOS MEDIANTE UN IMPUESTO ESPECIAL SOBRE LAS TRANSFERENCIAS DE BIENES INMUEBLES DE MÁS DE \$5 MILLONES. ORDENANZA DE INICIATIVA.

La ordenanza propuesta establecería y autorizaría programas para aumentar las viviendas asequibles y proporcionar recursos a los inquilinos en riesgo de quedarse sin hogar. Los programas se financiarían por un impuesto adicional sobre las ventas y transferencias de bienes inmuebles que superen determinados umbrales. La tasa impositiva sería del 4 % de la contraprestación o del valor cuando la propiedad transferida supere los \$5 millones pero sea inferior a \$10 millones, y del 5.5 % cuando la propiedad transferida sea igual o superior a \$10 millones. Las organizaciones de vivienda asequible calificadas estarían exentas del nuevo impuesto. Los fondos del programa se destinarían principalmente a programas de viviendas de apoyo y asequibles, incluyendo el desarrollo, la construcción, la adquisición, la rehabilitación, y el funcionamiento de las viviendas. Los fondos también se destinarían a recursos financieros, educativos, y de otros recursos para los inquilinos de bajos ingresos y otros en riesgo de quedarse sin hogar, ser desplazados, o desalojados. La ordenanza crearía un Comité de Supervisión Ciudadana para elaborar directrices de financiación, realizar evaluaciones de las necesidades de vivienda, supervisar la ejecución del programa, y auditar los gastos de los fondos.

### TEXTO DE LA MEDIDA PROPUESTA

#### **Programa de Los Ángeles para Prevenir la Falta de Hogar y Financiar Viviendas Asequibles (“Viviendas de Los Ángeles”)**

**SECCIÓN 1:** Por la presente, el pueblo de la ciudad de Los Ángeles encuentra que:

- a. El aumento de los alquileres, los desalojos generalizados de inquilinos y la falta de viviendas asequibles han convertido a Los Ángeles en la ciudad con la peor crisis de vivienda y de personas sin hogar del país.
- b. Se considera que un hogar está agobiado por los costos cuando pagan más del 30% de sus ingresos en los costos de vivienda. En 2019, la Ciudad de Los Ángeles (“la Ciudad” o “Ciudad”) tenía un porcentaje más alto de hogares de inquilinos con sobrecarga de costos (59%) que cualquier otra ciudad estadounidense importante. Alrededor del 32% de los inquilinos de la ciudad están gravemente agobiados por los gastos, lo que significa que gastan más del 50% de sus ingresos en el alquiler. Cuando las familias gastan en exceso en los costos de la vivienda, tienen menos presupuesto para el cuidado de la salud, el cuidado de los niños, la educación, la alimentación saludable, el ahorro y la jubilación, y otros gastos del hogar. Además de repercutir en la salud, la educación y los resultados económicos de los residentes de la Ciudad, esto tiene repercusiones económicas de

gran alcance, ya que los Angelinos gastan menos en los negocios locales. Además, los jóvenes y los miembros de los Hogares con Ingresos Más Bajos están abandonando la región debido específicamente a los costos elevados de la vivienda, una dinámica que los economistas regionales han indicado como una preocupación clave para las perspectivas de crecimiento económico de la Ciudad y con la que las empresas locales están lidiando en su búsqueda de empleados.

c. Entre el 42% de los adultos mayores de la Ciudad (personas de 65 años o más) que alquilan, el 65% está agobiado por los costos. Entre el 58% de los adultos mayores que son propietarios de su vivienda, más del 38% está agobiado por los costos. La inasequibilidad de la vivienda durante mucho tiempo pone en peligro la estabilidad residencial, sobre todo para los jóvenes, los adultos mayores, las personas con ingresos bajos y sus comunidades. Los dos grupos en edad en la Ciudad con mayores tasas de carga de alquiler son los jóvenes de 18 a 24 años y los adultos mayores de 65 años o más.

d. Una de las dinámicas principales subyacentes a la crisis de la vivienda es que los alquileres aumentan más rápido que los salarios. El ingreso medio de los hogares en 2019 fue de \$62,142, menos que el del condado o el estado. El veintidós por ciento de las familias de la Ciudad ganan menos de \$25,000 al año y el 42% ganan menos de \$50,000 al año. Los salarios han quedado muy por debajo del costo de vida en la Ciudad; las cinco ocupaciones principales proyectadas hasta 2028 tienen todas ellas un ingreso medio inferior a \$31,250, lo que indica una necesidad urgente de Viviendas para las personas con Ingresos Graves, y Extremadamente bajos.

e. La pandemia del COVID-19 ha agravado aún más la inestabilidad de la vivienda entre las personas con los salarios más bajos de la Ciudad y las hace más susceptibles de caer dentro del grupo de personas sin hogar.

f. En 2020, 41,290 personas se encontraban sin hogar en la ciudad de Los Ángeles. Alrededor del 70% de esta población permanece sin hogar, viviendo en la calle, bajo los puentes y en los parques de la Ciudad. Esto ha supuesto una crisis humanitaria, causada en gran medida por la inacción del gobierno.

g. A pesar del aumento sostenido de personas efectivamente alojadas en la Ciudad de Los Ángeles, en 2020, hubo un aumento del 16.1% (hasta 41,290) de personas sin hogar en la Ciudad, en gran parte debido a las presiones económicas de la pérdida de puestos de trabajo, los desalojos o el aumento de los alquileres. Unas intervenciones preventivas eficaces, que incluyan un aumento significativo de la producción de viviendas asequibles y de apoyo y el refuerzo de las protecciones a los inquilinos, podrían revertir drásticamente este patrón y reducir el número de personas que se encuentran sin hogar en nuestras calles.

h. Un estimado de 30,000 desalojos formales son archivados cada año en la Ciudad de Los Ángeles y la gran mayoría de los inquilinos que reciben una notificación de desahucio no tienen acceso a un abogado y no saben cómo ejercer sus derechos. Los casos de desalojos pueden ser muy complicados y técnicos; es difícil defender con éxito un caso de desalojos sin un abogado. Proporcionar asesoramiento a las personas que se enfrentan a un desahucio puede prevenir y reducir el número de personas sin hogar; en los lugares en los que existe el derecho a asesoramiento, aproximadamente el 86% de los inquilinos representados siguen teniendo una vivienda.

i. A medida que los alquileres siguen subiendo en toda la Ciudad, el incentivo para expulsar a los inquilinos de los pisos de alquiler estabilizado es fuerte y el acoso es un motor principal de los



desalojos informales.

j. La falta de acceso a una vivienda asequible, saludable y estable es un problema constante que requerirá intervenciones políticas serias y una financiación pública sostenida. A pesar del esfuerzo histórico y continuado de la Ciudad por asegurar y asignar fondos para la vivienda asequible, uno de los principales motores de esta crisis es la falta de ingresos suficientes para preservar y producir viviendas asequibles y la falta de financiación adecuada para apoyar a los inquilinos a permanecer en sus hogares.

k. La Ciudad de Los Ángeles se queda habitualmente muy por debajo de las asignaciones de vivienda asequible en su Evaluación Regional de Necesidades de Vivienda y seguirá haciéndolo sin intervenciones políticas adicionales como una fuente de financiación específica.

l. El Elemento de Vivienda 2021-2029 de la Ciudad incluye numerosos objetivos de vivienda asequible y de prevención de la falta de vivienda y programas de implementación, incluyendo: Programa 20 para apoyar fuentes permanentes adicionales de financiación de viviendas asequibles y de protección de los inquilinos para la ciudad, incluyendo opciones para generar fondos a nivel local, incluyendo un impuesto progresivo sobre la transferencia de documentos inmobiliarios; Programa 16 para dar prioridad a los terrenos públicos para nuevos modelos de desarrollo y control de viviendas asequibles, incluyendo los Fideicomisos de Tierras Comunitarias o las viviendas sociales/públicas; y Programa 88 para poner en marcha un Programa de Defensa contra el Desahucio y evaluar un Programa de “Derecho a la Defensa” de los inquilinos. La nueva financiación de estos Programas ayudará a la Ciudad a cumplir con su Elemento de Vivienda 2021-2029 y a cumplir con sus obligaciones de Evaluación Regional de Necesidades de Vivienda para este ciclo del elemento de vivienda y en ciclos futuros.

m. Los usuarios habituales del transporte público, principalmente en la Ciudad de Los Ángeles, tienden a tener ingresos sumamente y Extremadamente bajos; la mitad de los usuarios de autobuses encuestados por la Autoridad de Transporte Metropolitano de Los Ángeles (“LA Metro”) a bordo de los autobuses de LA Metro ganaban menos de \$18,000 al año antes de la pandemia de COVID-19. El desplazamiento de los hogares que utilizan el transporte público de las zonas urbanas ricas en transporte público de la Ciudad contribuye a la disminución del número de usuarios del transporte público en general. Esto repercute negativamente en la calidad del aire y la congestión del tráfico de la Ciudad y es un obstáculo importante para abordar las emisiones de carbono de nuestra región.

n. Las áreas de la Ciudad con la tasa más baja de producción de viviendas asequibles se encuentran en las áreas de gran y mayor oportunidad (“High Opportunity”) de la Ciudad, que reflejan el Alto Nivel de acceso de esas áreas a las oportunidades económicas, los recursos y los servicios según los Mapas de Áreas de Oportunidad del Comité de Asignación de Créditos Fiscales del Estado de California y el Departamento de Vivienda y Desarrollo Comunitario del Estado de California. Un informe de 2021 del Departamento de Planificación Urbana y de Vivienda de la Ciudad de Los Ángeles reveló que sólo el 6% de las viviendas asequibles subvencionadas se construyeron en las zonas de Alta Oportunidad de la Ciudad.

o. Se necesitan nuevos fondos y programas para la vivienda asequible y la prevención de la falta de vivienda para complementar los fondos y programas existentes en la Ciudad.

p. El aumento del Impuesto sobre Transmisiones Patrimoniales en las propiedades de mayor precio de la Ciudad generará una fuente de ingresos continua que permitirá a la Ciudad emplear políticas

y prácticas sólidas de estabilización de inquilinos para evitar de forma proactiva que los hogares vulnerables pierdan sus casas y, en su lugar, construir un número significativo de viviendas que sean asequibles para los hogares con Menores Ingresos de la Ciudad, previniendo y reduciendo así directamente la falta de vivienda en toda la Ciudad y reduciendo los costos de vivienda de la Ciudad.

q. La iniciativa protegerá a los inquilinos, incluidos los adultos mayores de los Hogares con Ingresos Bajos y las personas con discapacidades, para que no se vean forzados a quedarse sin hogar o a ser desplazados de otro modo: a) proporcionando financiación de emergencia a corto plazo a los hogares de inquilinos en riesgo de quedarse sin hogar; b) proporcionando apoyo a los ingresos de las personas mayores y las personas con discapacidades con problemas de alquiler; c) proporcionando servicios de divulgación, educación y navegación a los inquilinos; d) proporcionando servicios legales a los inquilinos de los Hogares con Ingresos Bajos amenazados de desalojo; y e) supervisando, haciendo cumplir e informando a los inquilinos de las protecciones de la Ciudad contra el acoso a los inquilinos.

r. La iniciativa aumentará el desarrollo y la conservación de viviendas asequibles para las personas con Ingresos Bajos: (a) Invirtiendo en modelos nuevos y existentes de desarrollo multifamiliar asequible; (b) Aprovechando las prácticas actuales para la adquisición pública o comunitaria de viviendas de alquiler con el fin de proporcionar asequibilidad permanente y permitir la propiedad de la comunidad y/o del sector público; (c) Innovando las estrategias de producción de viviendas que enfatizan la asequibilidad permanente, utilizan estrategias de financiación innovadoras, amplían los métodos de propiedad y utilizan tecnologías de construcción de vanguardia; (d) Utilizando los fondos para los subsidios de alquiler basados en el desarrollo para ayudar a crear opciones de vivienda asequible para los Hogares con Ingresos Extremadamente Bajos; y (e) Garantizando que los fondos del programa se invierten no sólo para desarrollar viviendas asequibles, sino también para fomentar la creatividad de la producción y el establecimiento de objetivos a largo plazo.

s. Los programas y políticas financiados a través de esta iniciativa se desplegarán de manera que aborden la segregación racial, dismantelen las prácticas de exclusión racial y promuevan la equidad racial en las oportunidades de vivienda, académicas y económicas.

t. El Artículo XXXIV de la Constitución del Estado de California (“Artículo XXXIV”) establece que ningún proyecto de viviendas de ingresos bajos será desarrollado, construido o adquirido de ninguna manera por ningún organismo público estatal hasta que una mayoría de los electores cualificados de la ciudad, pueblo o condado, según sea el caso, en el que se propone desarrollar, construir o adquirir el proyecto, votando sobre dicha cuestión, apruebe dicho proyecto votando a favor del mismo en una elección que se celebre a tal efecto, o en cualquier elección general o especial.

u. La Ciudad de Los Ángeles y sus residentes se beneficiarán directamente del desarrollo, la construcción, la adquisición y la administración de unidades de vivienda adicionales para familias y hogares de bajos ingresos.

v. La intención de los votantes al adoptar esta iniciativa es garantizar que los ingresos fiscales del Impuesto sobre Soluciones para la Vivienda y los Sin Techo se utilicen para financiar los fines establecidos en el Programa de Viviendas de Los Ángeles.

POR LO TANTO, sobre la base de estas conclusiones, el pueblo declara que la Ciudad de Los

Ángeles adopte la legislación contenida en este documento para proteger a los inquilinos, producir y preservar viviendas asequibles, y prevenir la falta de vivienda.

**SECCIÓN 2:** El Capítulo II, Artículo 1.9 del Código Municipal de la Ciudad de Los Ángeles queda modificado de la siguiente manera (el texto ~~tachado~~ indica que se ha eliminado y el texto *en cursiva* indica que es nuevo):

#### **SEC. 21.9.2. IMPUESTO.**

(a) Por la presente, se impone a cada escritura, instrumento o escrito por el cual se otorguen, asignen, transfieran o transmitan de otro modo tierras, arrendamientos u otros bienes inmuebles vendidos dentro de la Ciudad de Los Ángeles al comprador o compradores, o a cualquier otra persona o personas, por indicación de éstos, cuando la contraprestación o el valor del interés o la propiedad transmitida (excluyendo el valor de cualquier gravamen o carga que permanezca sobre la misma en el momento de la venta) supere los \$100.00, un impuesto a la tasa de \$2.25 por cada \$500.00 o parte fraccionaria.

(b) *Además de cualquier impuesto gravado en virtud de la Subsección (a) de esta sección, a partir del 1 de abril de 2023, por la presente se impone un impuesto conocido como el “Impuesto sobre Soluciones de Vivienda y Sin Hogar” sobre cada escritura, instrumento o escrito por el cual se otorguen tierras, arrendamientos u otros bienes inmuebles vendidos dentro de la Ciudad de Los Ángeles, cedido, transferido o transmitido de otro modo al comprador o compradores, o a cualquier otra persona o personas, por indicación de éstos, cuando la contraprestación o el valor del interés o de la propiedad transmitida (incluido el valor de cualquier gravamen o carga que quede sobre ella en el momento de la venta) exceda:*

(1) *\$5,000,000 pero sea inferior a \$10,000,000, un impuesto del 4% de la contraprestación o del valor; o*

(2) *\$10,000,000 o más, un impuesto del 5.5% de la contraprestación o valor.*

(c) *El Director de Finanzas de la Ciudad de Los Ángeles ajustará los umbrales de consideración o valor establecidos en el inciso (b) de esta sección ajustados anualmente con base en el Índice de Precios al Consumidor Encadenado de la Oficina de Estadísticas Laborales (C-CPI-U), conforme a las directrices y procedimientos que establezca de acuerdo con el inciso (c) de la Sección 21.9.11 de este Código.*

#### **SEC. 21.9.11. DEBERES DEL SECRETARIO.**

(a) El Director de Finanzas, en su calidad de Recaudador de Impuestos de la Ciudad de Los Ángeles, es por la presente designado como el funcionario de la Ciudad responsable de mantener relaciones con el Condado de Los Ángeles con el propósito de administrar el impuesto gravado bajo este artículo y recibir y contabilizar los fondos recaudados en virtud del mismo.

(b) Si el Condado de Los Ángeles no recauda el impuesto adeudado en virtud de este artículo, o cualquier parte de dicho impuesto, el Director de Finanzas tendrá la facultad y el deber de hacer

cumplir todas las disposiciones de este artículo. En tal caso, los impuestos de la Ciudad se vencen antes del registro con el Condado de Los Ángeles de cualquier instrumento escrito sujeto al impuesto y el Director de Finanzas puede hacer una evaluación de los impuestos no pagados en la forma prevista en la Sección 21.16 de este Código, y hacer reembolsos como se establece en la Sección 22.13 de este Código.

*(c) El Director de Finanzas está autorizado y facultado, en consonancia con la legislación aplicable y los propósitos de este artículo, a dictar las normas y reglamentos que sean razonablemente necesarios para hacer cumplir y administrar este artículo, incluidos, entre otros, los reglamentos que definan con mayor precisión el término “bienes inmuebles vendidos” en la sección 21.9.2 de este artículo y que establezcan los procedimientos para administrar las exenciones del impuesto gravado en virtud de este artículo. El Director de Finanzas notificará con una antelación razonable la fecha de entrada en vigor de cualquier norma o reglamento promulgado en virtud de esta sección.*

#### **SEC. 21.9.14. EXENCIÓN—ORGANIZACIÓN DE VIVIENDA ASEQUIBLE**

*El Impuesto sobre Soluciones de Vivienda y sin Hogar impuesto por la Subsección (b) de la Sección 21.9.2 de este Código no se aplicará con respecto a ninguna escritura, instrumento o escrito por el cual se otorguen, asignen, transfieran o de otro modo se transmitan tierras, tenencias u otros bienes inmuebles vendidos dentro de la Ciudad de Los Ángeles a un comprador o compradores, o a cualquier otra persona o personas, por su dirección, si dicho cesionario es: (1) una entidad sin ánimo de lucro dentro de la Sección 501(c)(3) del Código de Rentas Internas; (2) un Fideicomiso Comunitario de Tierras, tal y como se define en la Sección 22.618.2 del Código Administrativo de Los Ángeles; (3) una Cooperativa de Viviendas de Patrimonio Limitado, tal y como se define en la Sección 817 del Código Civil de California; o (4) una sociedad limitada o una sociedad de responsabilidad limitada en la que sólo sean socios generales o miembros gestores las corporaciones sin ánimo de lucro de buena fe, los Fideicomisos Comunitarios de Tierras y/o las Cooperativas de Viviendas de Patrimonio Limitado. Para calificar para una exención de conformidad con esta sección, los cesionarios o uno de sus socios o miembros deben demostrar un historial de desarrollo de vivienda asequible y/o experiencia en la administración de propiedades de vivienda asequible, según lo determine el Departamento de Vivienda de Los Ángeles, o su agencia sucesora, de acuerdo con un procedimiento que será promulgado por el Departamento de Vivienda de Los Ángeles, o su agencia sucesora. Los Fideicomisos de Tierras Comunitarias y las Cooperativas de Viviendas de Capital Limitado pueden calificar para una exención bajo esta subsección sin demostrar un historial de desarrollo de viviendas asequibles y/o experiencia en la administración de propiedades de viviendas asequibles al (a) asociarse con organizaciones sin fines de lucro con experiencia como el Departamento de Vivienda de Los Ángeles, o su agencia sucesora, define esos términos consistentemente con el propósito del Artículo 9 del Capítulo 24 de la División 22 del Código Administrativo de Los Ángeles; o (b) registrar en el momento de la adquisición un convenio de asequibilidad consistente con la Sección 22.618.3(d)(1)(i).b. del Código Administrativo de Los Ángeles.*

#### **SECCIÓN 21.9.15 OTRAS EXENCIONES**

*El Impuesto a las Soluciones de Vivienda y a los Desamparados impuesto por la Subsección (b) de la Sección 21.9.2 de este Código no se aplicará con respecto a ninguna escritura, instrumento o escrito por el cual se otorguen, asignen, transfieran o transmitan de otra manera tierras, arrendamientos u otros bienes inmuebles vendidos dentro de la Ciudad de Los Ángeles al comprador o compradores, o a cualquier otra persona o personas, si dicho cesionario es:*

(a) una entidad sin ánimo de lucro dentro de la Sección 501(c)(3) del Código de Rentas Internas, que haya recibido su Carta de Determinación inicial del Servicio de Rentas Internas al menos diez años antes de la compra y que tenga unos activos inferiores a 1,000 millones de dólares;

(b) los Estados Unidos o cualquier agencia o instrumento de los mismos, cualquier estado o territorio, o subdivisión política de los mismos, o cualquier otra agencia o entidad pública federal, estatal o local; o

(c) cualquier otro cesionario exento de la potestad tributaria de la Ciudad en virtud de las Constituciones estatal o federal.

#### **SEC. 21.9.16. EXENCIONES ADICIONALES—APROBACIÓN DEL CONCEJO MUNICIPAL**

*El Pueblo de la Ciudad de Los Ángeles autoriza al Concejo Municipal a promulgar ordenanzas, sin necesidad de aprobación de los votantes, para eximir del Impuesto a las Soluciones para la Vivienda y los Desamparados impuesto por la Subsección (b) de la Sección 21.9.2 de este artículo a las propiedades adquiridas por organizaciones sin fines de lucro para producir viviendas asequibles con restricción de ingresos, tal como el Concejo puede definir esos términos de manera coherente con los propósitos establecidos en el Artículo 9 del Capítulo 24 de la División 22 del Código Administrativo de Los Ángeles.*

**SECCIÓN 3:** Se añade un nuevo capítulo 192 a la División 5 del Código Administrativo de Los Ángeles, como sigue:

#### **SEC. 5.598.1. FONDO DE VIVIENDAS DE LOS ÁNGELES**

(a) *Por la presente se crea y establece dentro de la Tesorería de la Ciudad de Los Ángeles un fondo fiduciario especial que se conocerá como Fondo de Viviendas de Los Ángeles para el depósito y uso de todos los impuestos de recaudados conforme a la Subsección (b) de la Sección 21.9.2 del Código Municipal de Los Ángeles. El dinero del Fondo de Viviendas de Los Ángeles se utilizará exclusivamente de acuerdo con el programa establecido en el Artículo 9 del Capítulo 24 de la División 22 del Código Administrativo de Los Ángeles (el Programa de Los Ángeles para Prevenir la Falta de Vivienda y Financiar la Vivienda Asequible (“Programa de Viviendas de Los Ángeles”)).*

(b) *Todos los intereses devengados por el dinero del Fondo de Viviendas de Los Ángeles se acreditarán y utilizarán para los fines del Fondo de Viviendas de Los Ángeles. El dinero que no se gaste del Fondo de Viviendas de Los Ángeles en cualquier ejercicio fiscal no revertirá al Fondo de Reserva, sino que permanecerá en el Fondo de Viviendas de Los Ángeles.*

(c) *Cualquier ingreso del programa generado a través del Programa de Viviendas de Los Ángeles, incluyendo pero no limitado a cualquier reembolso de préstamos, recuperación de valor, o retorno de activos generados por el Fondo de Viviendas de Los Ángeles debe ser vuelto a depositar en el Fondo de Viviendas de Los Ángeles, y no será mezclado en ningún otro Fondo de la Ciudad o utilizado para cualquier propósito que no sea el descrito en el Artículo 9 del Capítulo 24 de la División 22 del Código Administrativo de Los Ángeles.*

(d) *El Fondo de Viviendas de Los Ángeles será administrado por el Gerente General del Departamento de Vivienda de Los Ángeles, o cualquier agencia sucesora (“Departamento”), o una persona designada por el Gerente General, en estricta conformidad con las disposiciones del Artículo 9 del Capítulo 24 de la División 22 del Código Administrativo de Los Ángeles.*



*(e) El Concejo Municipal puede establecer por ordenanza cualquier fondo adicional, o cuentas dentro de este fondo, necesarias para implementar esta iniciativa y los gastos descritos en la Sección 22.618.3 de este Código.*

**SECCIÓN 4:** Se añade un nuevo artículo 9 al capítulo 24 de la división 22 del Código Administrativo de Los Ángeles, con el siguiente texto:

**SEC. 22.618.1. OBJETIVO.**

*Los objetivos de Viviendas de Los Ángeles incluyen:*

*(a) Mejorar el acceso a una vivienda asequible de forma permanente para los grupos de población vulnerables, entre los que se incluyen, entre otros, las personas mayores en Hogares con Ingresos Bajos, las personas que anteriormente fueron sin hogar, las personas con discapacidad, los veteranos, los hogares monoparentales, los jóvenes en transición y los supervivientes de la violencia doméstica.*

*(b) Abordar la necesidad de los residentes de la Ciudad de una vivienda asequible y la protección de los inquilinos en cada uno de los Distritos del Consejo, los objetivos de Promoción Afirmativa de la Vivienda Justa, los objetivos del Elemento de la Vivienda y las asignaciones de vivienda asequible de la Evaluación Regional de Necesidades de Vivienda.*

*(c) Priorizar el gasto de la financiación de la producción de viviendas para las categorías de Hogares con Ingresos Sumamente Bajos, Hogares con Ingresos Extremadamente Bajos, Hogares con Ingresos Muy Bajos y Hogares con Ingresos Bajos, y priorizar el gasto de la financiación del subsidio de alquiler para las categorías de Hogares con Ingresos Sumamente Bajos y Hogares con Ingresos Extremadamente Bajos.*

*(d) Desarrollar, examinar y revisar un plan para desarrollar la capacidad de las organizaciones con centros de trabajo ubicados en Comunidades Desfavorecidas y/o que prestan servicios a sus miembros, y para priorizar y permitir la participación de las organizaciones en la aplicación de la Viviendas de Los Ángeles.*

*(e) Aumentar la oferta de viviendas asequibles servidas por el tránsito, y proporcionar estabilidad en la vivienda y protección a los inquilinos en las comunidades servidas por el tránsito.*

*(f) Desplegar programas y políticas financiados a través de esta iniciativa de manera que se aborde la segregación racial, se desmantelen las prácticas de exclusión racial y se promueva la equidad racial en las oportunidades de vivienda, académicas y económicas.*

*(g) Utilización de terrenos públicos para viviendas asequibles producidas a través de este programa, incluidos, entre otros, los terrenos infrautilizados que son propiedad de la Ciudad de Los Ángeles, el Distrito de Escuelas Comunitarias de Los Ángeles, el Distrito Escolar Unificado de Los Ángeles, la Autoridad de Transporte Metropolitano del Condado de Los Ángeles u otros organismos gubernamentales.*

*(h) Establecer y dotar de recursos a un Comité de Supervisión Ciudadana que se encargará de revisar estos objetivos cada tres años y de realizar los ajustes necesarios en las directrices del programa adoptadas de conformidad con la Sección 22.618.6(c)(1) de este Código para abordar los objetivos mencionados.*

(i) Establecer nuevos fondos y programas para la creación, conservación y adquisición de viviendas asequibles y la prevención de la falta de vivienda que complementen los fondos y programas existentes de la Ciudad.

(j) Garantizar que los trabajos de construcción y rehabilitación se realicen según las normas laborales establecidas en la Sección 22.618.7

## **SEC. 22.618.2. DEFINICIONES.**

“Hogares con Ingresos Sumamente Bajos” tendrá el mismo significado que en el Sección 50063.5 del Código de Salud y Seguridad de California.

“Hogares con Ingresos Extremadamente Bajos” tendrá el mismo significado que en el Sección 50106 del Código de Salud y Seguridad de California.

“Hogares con Ingresos Muy Bajos” tendrá el mismo significado que en el Sección 50105 del Código de Salud y Seguridad de California.

“Hogares con ingresos bajos” se refiere a los Hogares con Ingresos Bajos cuyos ingresos brutos superan el máximo de los Hogares con Ingresos Muy Bajos.

“Hogares con Bajos Ingresos” tendrá el mismo significado que en la Sección 50079.5 del Código de Salud y Seguridad de California.

“Hogares de Ingresos Moderados” tendrá el mismo significado que el término “Personas y familias de ingresos moderados”, tal como se define en el Sección 50093(b) del Código de Salud y Seguridad de California.

“Fomento Afirmativo de la Vivienda Justa” tendrá el mismo significado que en la Sección 8899.50 del Código de Gobierno de California.

“Fideicomiso de Tierras Comunitario” significa una corporación sin ánimo de lucro dentro de la Sección 501(c)(3) del Código de Rentas Internas que cumple con todo lo siguiente: (I) Tiene como propósitos principales la creación y el mantenimiento de residencias unifamiliares o multifamiliares permanentemente asequibles; (II) Todas las viviendas y unidades situadas en el terreno propiedad de la corporación sin fines de lucro son vendidas a un propietario calificado para ser ocupadas como residencia principal del propietario calificado o alquiladas a Hogares de Ingresos bajos o Hogares de Ingreso Moderados, o mantenidas por la corporación sin fines de lucro para el mismo propósito; (III) Cuando una vivienda o unidad que está situada en un terreno propiedad de la corporación sin fines de lucro se vende a un propietario calificado, el terreno es arrendado por la corporación sin fines de lucro al propietario calificado por sus ingresos para la conveniente ocupación y uso de esa vivienda o unidad por un término renovable de 99 años.

“Comunidades Desfavorecidas”, tal y como se define en la Sección 65302(h)(4)(A) del Código de Gobierno de California.

“Cooperativa de Viviendas de Capital Limitado” tendrá el mismo significado que en el Sección 817 del Código Civil de California.

“Hotel Residencial” tendrá el mismo significado que en la sección 50519(b)(1) del Código de Salud y Seguridad de California.

### **SEC. 22.618.3. PROGRAMAS VIVIENDAS DE LOS ÁNGELES**

*(a) Sujeto a las disposiciones presupuestarias y fiscales de la Carta de la Ciudad de Los Ángeles, el dinero del Fondo de Vivienda de Los Ángeles, como se establece en el Capítulo 192 de la División 5 de este Código, se asignará en forma anual o suplementaria, siguiendo los procedimientos establecidos en la Sección 22.618.4 de este Código, y se gastará en forma consistente con esta sección (los “Programas de Vivienda de Los Ángeles”).*

*(b) **Fondo-Administración de Viviendas de Los Ángeles** No más del 8% del dinero depositado en el Fondo de Viviendas de Los Ángeles anualmente puede ser utilizado para el cumplimiento, la implementación y la administración (“Fondo de Viviendas de Los Ángeles-Administración”) que se describe a continuación, incluyendo pero no limitado a la aplicación de los convenios de asequibilidad asociados con los proyectos del Programa de Viviendas de Los Ángeles, y, en coordinación con el Director de Finanzas y otros departamentos de la Ciudad, la recaudación del impuesto por la Subsección (b) de la Sección 21.9.2 del Código Municipal de Los Ángeles y el reembolso de cualquier pago en exceso de ese impuesto. Al menos el 3% de los fondos asignados anualmente al Fondo-Administración de Viviendas de Los Ángeles se destinará a la dotación de personal y otros gastos del Comité de Supervisión Ciudadana de Viviendas de Los Ángeles descrito en la Sección 22.618.6 de este Código. Además, los gastos de personal, los estipendios y los honorarios que puedan asignarse al Consejo de Arrendatarios en virtud de la Sección 22.618.3(d)(2)(ii).d. de este Código se pagarán con cargo al Fondo de Viviendas de Los Ángeles -Administración. Además, el Departamento puede financiar la formación en procesos y procedimientos relacionados con los acuerdos laborales del proyecto, y puede proporcionar servicios de gestión de acuerdos laborales del proyecto a los contratistas. A los efectos de esta subdivisión, “acuerdo laboral de proyecto” tiene el mismo significado que la Sección 2500(b)(1) del Código de Contratos Públicos de California.*

*(c) Para permitir la transparencia y la rendición de cuentas, los fondos de la Administración del Fondo de Viviendas de Los Ángeles se destinarán a hacer un seguimiento y a poner a disposición del público informes sobre la ejecución del programa, incluyendo, entre otros, los siguientes aspectos: 1) dólares gastados en la construcción y conservación de viviendas durante un año, en el transcurso de los años, en conjunto, por proyecto, por unidad de vivienda, y para desglosar y evaluar la aplicación del programa por Código Postal y Distrito del Consejo; 2) número de personas alojadas durante un año, en el transcurso de los años, en conjunto y a medida que cambia con el tiempo, en cada proyecto, en cada unidad, y desglosado y consultable por raza, composición familiar, orientación sexual, edad, capacidad y género, y por ubicación y nivel de ingresos, y 3) residentes atendidos por el Programa de Prevención de la Falta de Vivienda durante un año, en el transcurso de los años, en conjunto y a medida que cambia con el tiempo, por Distrito del Consejo, y desglosado y consultable por raza, composición familiar, orientación sexual, edad, capacidad y género. Los departamentos de la Ciudad harán pública y proporcionarán al Comité de Supervisión información sobre cómo la implementación de Viviendas de Los Ángeles está fomentando el progreso hacia la implementación del Elemento de Vivienda, las asignaciones de la Evaluación Regional de Necesidades de Vivienda y la Promoción Afirmativa de la Vivienda Justa.*

*(d) **Programas-Fondo de Viviendas de Los Ángeles.** Todo el dinero depositado anualmente en el Fondo de Viviendas de Los Ángeles que no sea el descrito en los Subapartados (b) y (c) de esta sección, pero en ningún caso menos del 92% del Fondo de Viviendas de Los Ángeles se utilizará para los programas especificados en la Sección 22.618.3(d)(1), conocido como “Programa de*



*Viviendas Asequibles” y la Sección 22.618.3(d)(2), conocido como “Programa de Prevención de la Falta de Vivienda”, y colectivamente como “Programas del Fondo de Viviendas de Los Ángeles”. Los Programas del Fondo de Viviendas de Los Ángeles se asignarán de la siguiente manera:*

*(1) **Programa de Vivienda Asequible.** El setenta por ciento (70%) de los Programas del Fondo de Viviendas de Los Ángeles se utilizará para el Programa de Viviendas Asequibles como se describe en esta subdivisión y, de acuerdo con un plan de gastos adoptado de conformidad con la Sección 22.618.4 de este Código que aborda las necesidades de vivienda asequible en cada distrito del Consejo de la Ciudad.*

*(i) El gasto de los fondos para el Programa de Vivienda Asequible requerirá, en la mayor medida posible y en consonancia con la legislación federal y estatal, que los proyectos financiados cumplan con los siguientes requisitos:*

*a. **Asequibilidad.** Todas las unidades de un proyecto financiado deberán ser asequibles y estar ocupadas por Hogares de Bajos Ingresos Agudos, Hogares de Ingresos Extremadamente Bajos, Hogares de Muy Bajos Ingresos o Hogares de Bajos Ingresos, excepto lo permitido por las Secciones 22.618.3(d)(1)(ii).b.4. y 22.618.3(d)(1)(ii).c.4. de este Código. El Departamento adoptará una política para evitar el desplazamiento de los hogares que califican para una unidad en la ocupación inicial, pero que posteriormente superan los límites de ingresos. A estos hogares se les puede cobrar un alquiler acorde con su nivel de ingresos actual.*

*b. **Pactos.** Los programas descritos en las Secciones 22.618.3(d)(1)(ii).a.-c. de este Código, incluyendo el programa de Viviendas Asequibles Multifamiliares, el programa de Modelos Alternativos para Viviendas Asequibles Permanentes, y el programa de Adquisición y Rehabilitación de Viviendas Asequibles, están destinados a proporcionar viviendas dedicadas que sean asequibles para los hogares en los respectivos niveles de ingresos (por ejemplo, Hogares con Ingresos Sumamente Bajos, con Ingresos Extremadamente Bajos, con Ingresos Muy Bajos y con Ingresos Bajos) que ocupan las viviendas, ya sea como propietarios-ocupante o inquilinos, y cuyo coste o alquiler de la vivienda no supera el costo de la vivienda o el alquiler asequible para los hogares de dichos niveles de ingresos. Cada propiedad y cada unidad de vivienda asequible financiada conforme a las Secciones 22.618.3(d)(1)(ii).a.-c. de este Código estará sujeta a un convenio registrado aceptable para el Departamento y registrado en el Registro del Condado de Los Ángeles, que cumpla con cada uno de los siguientes requisitos:*

- 1. Cada unidad de vivienda del proyecto se utilizará exclusivamente como residencia para los hogares del nivel de ingresos respectivo.*
- 2. El costo de la vivienda o el alquiler de dicha unidad de vivienda no será superior al costo de una vivienda asequible o al alquiler asequible para el nivel de ingresos respectivo.*
- 3. Ninguna unidad de vivienda puede ser alquilada o subalquilada, excepto a un hogar en el nivel de asequibilidad y por no más de un alquiler*

*asequible para el que la unidad fue dedicada.*

- 4. Cualquier reventa de propiedades de alquiler financiada por esta iniciativa estará restringida a entidades sin ánimo de lucro o a Cooperativas de Vivienda de Capital Limitado, incluyendo pero no limitándose a corporaciones de vivienda asequible y Fideicomisos de Tierras Comunitarias, para asegurar el uso continuado de las unidades de vivienda como vivienda asequible según lo dispuesto en esta sección.*
- 5. En el caso de unidades de vivienda ocupadas por sus propietarios, las ventas iniciales y todas las reventas estarán restringidas a compradores cuyos ingresos familiares no superen el nivel de ingresos al que se destina la unidad y que no paguen en exceso el coste de la vivienda asequible a ese nivel de ingresos; o Cooperativas de Vivienda de Capital Limitado o entidades similares que proporcionen propiedad y asequibilidad a los residentes a perpetuidad con un nivel de asequibilidad medio para los Hogares con Ingresos Bajos y que permitan que no más del 20% de las unidades sean propiedad y estén ocupadas a precios de mercado sin restricciones. Las unidades de precio de mercado no restringidas no se utilizarán para calcular la asequibilidad media de las unidades de un proyecto.*
- 6. El plazo de las restricciones de asequibilidad contenidas en el pacto será a perpetuidad, o cualquier otro plazo máximo que permita la legislación aplicable, salvo que un pacto de asequibilidad con un plazo fijo no inferior a 55 años sólo será aceptable si es necesario para cumplir los requisitos de otras fuentes de financiación.*
- 7. Las restricciones de asequibilidad tendrán prioridad y no estarán subordinadas a ningún gravamen, escritura de fideicomiso o condición o restricción que se registre contra la propiedad, excepto por cualquier convenio de asequibilidad relacionado con el uso del suelo, de manera que cualquier entidad que tome el título de la propiedad o de una unidad de vivienda mediante una ejecución hipotecaria o una escritura en lugar de una ejecución hipotecaria estará sujeta a las restricciones de asequibilidad.*

*c. **Sustitución, Reubicación y Derecho de Preferencia.** La financiación proporcionada en virtud del Programa de Vivienda Asequible estará sujeta a las siguientes condiciones:*

- 1. Cualquier desarrollo financiado en cualquier propiedad que incluya una parcela o parcelas que actualmente tengan usos residenciales, o que dentro de los cinco años anteriores a la solicitud de financiamiento hayan tenido usos residenciales que hayan sido desocupados o demolidos, que estén o hayan estado sujetos a un convenio, ordenanza o ley registrados que restrinjan los alquileres a niveles asequibles para los Hogares de Bajos Ingresos, sujetos a cualquier otra forma de control de alquileres o precios a través del ejercicio válido de su poder policial por parte de*

*una entidad pública, u ocupadas por Hogares de Bajos Ingresos, deberán cumplir con los requisitos del Código de Gobierno de California, Sección 65915(c)(3), siempre y cuando cualquier unidad de vivienda que esté o haya estado sujeta a una forma de control de alquileres o precios a través del ejercicio válido del poder de policía de una entidad pública y que esté o haya sido ocupada por un hogar con ingresos superiores a los de los Bajos Ingresos, sea reemplazada por unidades asequibles y ocupadas por hogares de Bajos Ingresos. Además, las unidades de sustitución se pondrán a disposición de un alquiler asequible o de un coste de vivienda asequible, y serán ocupadas por personas y familias de la misma categoría de ingresos o de una categoría inferior a la de los hogares ocupados o, si las unidades han sido desalojadas o demolidas, de los hogares anteriormente ocupados, incluidos los hogares con Ingresos Sumamente Bajos, Extremadamente Bajos, Muy Bajos y Bajos. Si no se conocen los ingresos de los hogares ocupados, o anteriormente ocupados, se presumirá de forma refutable que (a) los hogares con ingresos extremadamente bajos, Muy Bajos y bajos ocuparon estas unidades en la misma proporción que la proporción de hogares de inquilinos que son extremadamente Bajos, Muy Bajos, y bajos con respecto a todos los hogares de inquilinos de la Ciudad, según los datos disponibles más recientes de la base de datos de la Estrategia Integral de Asequibilidad de la Vivienda del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos, y (b) la proporción de Hogares con Ingresos Extremadamente Bajos es la mitad de la proporción de Hogares con Ingresos Extremadamente Bajos.*

- 2. Si los ocupantes existentes deben ser reubicados, por cualquier período de tiempo, el promotor está obligado a proporcionarles beneficios de reubicación de acuerdo con el Capítulo 16 (que comienza con la Sección 7260) de la División 7 del Título 1 del Código de Gobierno y el Capítulo XV del Código Municipal de Los Ángeles, incluyendo los reglamentos asociados. Para hacer efectivas las disposiciones del Capítulo 16 de la División 7 del Título 1 del Código de Gobierno, y además de todas las demás obligaciones de reubicación, el promotor preparará un plan de reubicación, y el Departamento exigirá que el plan ofrezca a los ocupantes opciones razonables de viviendas de sustitución comparables específicamente identificadas y disponibles en el momento de la oferta, para las que el hogar reúna los requisitos y sea apropiado, y que sean asequibles para el hogar.*
- 3. Además de los beneficios de reubicación descritos anteriormente, el promotor proporcionará un derecho de preferencia para una unidad comparable disponible en la urbanización nueva o rehabilitada. En el caso de los Hogares con Ingresos Bajos, esa unidad debe ser asequible para el hogar con un alquiler asequible o un costo de vivienda asequible. Si dichos ocupantes no cumplen con los requisitos de elegibilidad de una o más fuentes de financiamiento de la urbanización nueva o rehabilitada,*

*o por cualquier otra razón no ocupan unidades en la urbanización nueva o rehabilitada, los ocupantes tendrán prioridad para alquilar o comprar viviendas en otras urbanizaciones financiadas por el Programa de Vivienda Asequible. El Departamento mantendrá una lista de los ocupantes desplazados por dichos desarrollos y podrá establecer reglas razonables para determinar el orden de prioridad de los listados.*

4. *Nada en esta sección se leerá para prohibir que el Concejo Municipal adopte requisitos de reemplazo de unidades, requisitos de asistencia de reubicación o requisitos de derecho de preferencia que sean más protectores de los ocupantes desplazados que los requisitos de esta sección. Únicamente a efectos de la Sección 22.618.3(d)(1)(i).c. que regula la sustitución, la reubicación y el derecho de tanteo, “alquiler asequible” tendrá el mismo significado que se define en la Sección 50053 del Código de Salud y Seguridad de California, y “costo de vivienda asequible” tendrá el mismo significado que se define en la Sección 50052.5 del Código de Salud y Seguridad de California.*

d. *Para poder optar a la financiación del Programa de Viviendas Asequibles, el solicitante debe demostrar un historial de desarrollo de viviendas asequibles y/o experiencia en la gestión de propiedades de viviendas asequibles, tal y como el Departamento define estos términos de forma coherente con el propósito de este artículo. Los Fideicomisos de Tierras Comunitarias y las Cooperativas de Viviendas de Patrimonio Limitado pueden calificar para el financiamiento de esta iniciativa sin demostrar un historial de desarrollo de viviendas asequibles o una experiencia en la administración de propiedades de viviendas asequibles al (a) asociarse con organizaciones sin fines de lucro con experiencia, o (b) mostrar pruebas de la capacidad del personal adecuada para manejar y administrar el proyecto de viviendas asequibles, según lo fije el Departamento y sea consistente con el propósito de esta artículo.*

(ii) *Los fondos del Programa de Vivienda Asequible se asignarán en las siguientes categorías, de acuerdo con un plan de gastos adoptado de conformidad con la Sección 22.618.4 de este Código:*

a. ***Viviendas Multifamiliares Asequibles:*** *El veintidós punto cinco por ciento (22.5%) del Programas-Fondo de Vivienda de Los Ángeles se asignará anualmente al desarrollo de proyectos de viviendas de apoyo y/o asequibles de 40 unidades o más para poblaciones con ingresos que cumplan los requisitos, junto con otras fuentes de financiación de viviendas asequibles federales, estatales y locales, como los créditos fiscales federales para Viviendas de Bajos Ingresos y los Créditos Fiscales Estatales para Viviendas de Bajos Ingresos, o para pagar el capital y los intereses de la deuda contraída para tal fin. Este porcentaje puede aumentar hasta un máximo del veinticinco por ciento (25%) del Programas-Fondo de Vivienda de Los Ángeles sobre una base anual, utilizando los ingresos excedentes del Fondo de Estabilización de Programas de conformidad con la Sección 22.618.3(d)*

*(1)(ii).e. de este Código. Todas las unidades serán objeto de un convenio que cumpla los requisitos de la Sección 22.618.3(d)(1)(i).b.*

***b. Modelos Alternativos de Vivienda Asequible Permanente:*** *El veintidós punto cinco por ciento (22.5%) del Programas-Fondo de Vivienda de Los Ángeles se destinará anualmente a la construcción de nuevos proyectos solidarios y asequibles de alquiler o mixtos de alquiler y propiedad de 40 unidades o más, o a pagar el principal y los intereses de la deuda contraída para tal fin. Estos fondos también pueden utilizarse para la adquisición, rehabilitación, reutilización adaptativa, arrendamiento, conservación y explotación de proyectos de apoyo y/o asequibles o mixtos de alquiler y propiedad de viviendas de cualquier tamaño, o para pagar el principal y los intereses de la deuda contraída para tal fin. Este porcentaje puede aumentar hasta un máximo del veinticinco por ciento (25%) del Programas-Fondo de Viviendas de Los Ángeles sobre una base anual, utilizando los ingresos excedentes del Fondo de Estabilización de Programas de conformidad con la Sección 22.618.3(d)(1)(ii).e. de este Código. Esta financiación será objeto de las siguientes condiciones:*

- 1. Las unidades de vivienda serán desarrolladas por entidades calificadas para su financiación en virtud de la Sección 22.618.3(d)(1)(i).d. de este Código. Las unidades de vivienda deberán ser propiedad o ser administradas por una entidad pública, una autoridad local de vivienda, un Fideicomiso de Tierras Comunitarias, una Cooperativa de Vivienda de Patrimonio Limitado, y/o una entidad sin fines de lucro dentro de la Sección 501(c)(3) del Código Fiscal, que demuestre un historial de desarrollo de vivienda asequible o experiencia en la administración de propiedades de vivienda asequible, a través de un proceso que el Departamento fijará. Un Fideicomiso de Tierras Comunitarias o una Cooperativa de Viviendas de Capital Limitado sin un historial demostrado de desarrollo de viviendas asequibles y/o experiencia en la administración de propiedades de viviendas asequibles puede calificar para el financiamiento en virtud de esta subsección al (a) asociarse con una organización sin fines de lucro con experiencia, según lo determine el Departamento y sea consistente con el propósito de este Artículo, o (b) mostrar pruebas de la capacidad de personal adecuada para manejar y administrar el proyecto de viviendas asequibles, según lo fije el Departamento y sea consistente con el propósito de este artículo.*
- 2. Un proyecto puede dar cabida a una mezcla de tipos de ingresos de los Hogares, incluidos los Hogares con Ingresos Sumamente Bajos, los Hogares con Ingresos Extremadamente Bajos, los Hogares con Ingresos Muy Bajos y los Hogares con Ingresos Bajos.*
- 3. Un mínimo del 20% de las unidades de vivienda de un proyecto se reservará para hogares con ingresos sumamente bajos y/o Extremadamente Bajos.*



4. *Todas las unidades estarán sujetas a un convenio que cumpla con los requisitos de la Sección 22.618.3(d)(1)(i).b., sin embargo, de acuerdo con los criterios establecidos por el Departamento de manera consistente con los propósitos de este Artículo, y solamente con el propósito de aumentar la estabilidad financiera de las unidades de Hogares con Ingresos Sumamente Bajos, Ingresos Extremadamente Bajos y Muy Bajos en el proyecto, hasta el 20% de las unidades pueden no tener restricciones en cuanto a los niveles de ingresos y arriendo.*
5. *Los residentes tendrán derecho a participar directa y significativamente en la toma de decisiones relativas al funcionamiento y la gestión del proyecto.*
6. *Cuando sea factible y deseable, el proyecto incluirá la titularidad por parte de los residentes, incluidos, a mero título ejemplificativo, a las Cooperativas de Viviendas de Patrimonio Limitado.*
7. *Cuando sea factible y deseable, los proyectos utilizarán terrenos públicos.*

*c. **Adquisición y Rehabilitación de Viviendas Asequibles:** El diez por ciento (10%) de los Programas-Fondo de Vivienda de Los Ángeles se asignará anualmente a la adquisición, preservación, rehabilitación, arrendamiento u operación de viviendas existentes, incluyendo, pero sin limitarse a, propiedades de arriendo controlado, Hoteles Residenciales, Unidades de Vivienda de Accesoría y Unidades de Vivienda de Accesoría Menor, ya sea sin convenios existentes que requieran asequibilidad o con dichos convenios existentes que expirarán dentro de los diez (10) años del inicio del proyecto, como el Departamento define ese término de manera consistente con los propósitos de este artículo, o para pagar el capital y los intereses de la deuda incurrida para tal propósito, objeto a las siguientes condiciones:*

1. *La mayoría de las unidades de una propiedad deben estar ocupadas por Hogares de Bajos Ingresos en el momento de la adquisición, lo que se asumirá si la mayoría de los inquilinos testifican que sus ingresos son iguales o inferiores al nivel de bajos ingresos de la manera que lo fije el Departamento. Sin perjuicio de lo anterior, los fondos pueden utilizarse para la adquisición y rehabilitación de cualquier propiedad que se haya utilizado como Hotel Residencial en los cinco años anteriores a la solicitud de financiación.*
2. *Las unidades de vivienda deberán ser adquiridas y administradas por una entidad pública, una autoridad local de vivienda, un Fideicomiso de Tierras Comunitarias, una Cooperativa de Vivienda de Patrimonio Limitado, o una entidad sin fines de lucro dentro de la Sección 501(c)(3) del Código Fiscal, que demuestre un historial de desarrollo de vivienda asequible y/o experiencia en la administración de propiedades de vivienda asequible, a través de un proceso que el*

*Departamento fijará. Un Fideicomiso de Tierras Comunitarias o una Cooperativa de Viviendas de Capital Limitado puede calificar para el financiamiento si (a) se asocia con una organización sin fines de lucro con experiencia, según lo definido por el Departamento, o (b) muestra pruebas de la capacidad del personal adecuada para gestionar y administrar el proyecto de viviendas asequibles, a través de un proceso fijado por el Departamento.*

*3. Todas las unidades serán objeto de un convenio que cumpla los requisitos de la Sección 22.618.3(d)(1)(i).b.*

*4. Sin perjuicio de las cláusulas de asequibilidad establecidas en las Secciones 22.618.3(d)(1)(i).a. y 22.618.3(d)(1)(i).b. de este Código, los residentes existentes de las propiedades adquiridas de conformidad con este programa de Adquisición y Rehabilitación de Viviendas asequibles no serán desplazados permanentemente, incluso si sus ingresos exceden los límites de los Hogares de Bajos Ingresos, o cualquier límite de ingresos inferior establecido para una unidad. Los proyectos deberán alcanzar el 100% de ocupación por parte de los Hogares con menores Ingresos (o cualquier límite de ingresos específico del proyecto) a lo largo del tiempo mediante la rotación de unidades.*

*5. A través de un proceso que el Departamento fijará, la entidad que adquiera una propiedad presentará un plan para involucrar a los residentes en la gestión y las operaciones del edificio, que puede incluir un plan para la propiedad de los inquilinos, como una cooperativa de Viviendas de Capital Limitado. El Departamento cooperará y facilitará los planes de propiedad de los inquilinos, y no impondrá injustificadamente requisitos que prohiban dicha conversión de propiedad.*

*6. La financiación del proyecto podrá adoptar la forma de subvenciones o préstamos, pero no se exigirá el apalancamiento de formas adicionales de financiación si dicha financiación adicional hace inviable cualquiera de las condiciones establecidas en este subapartado, o si la financiación impide la futura conversión de la propiedad en propiedad de los inquilinos.*

*7. Los fondos pueden utilizarse para adquirir, instalar, construir o rehabilitar viviendas, incluidas las Unidades de Vivienda Accesorias (“ADUs”) y las Unidades de Vivienda Accesorias menores (“JDUs”), siempre que todas las ADUs y JDUs se utilicen como viviendas de arriendo asequibles o como viviendas propias asequibles. El Departamento puede verificar el uso de las ADUs y JDUs cubiertas por esta disposición periódicamente.*

*8. El Departamento facilitará la aplicación de fondos de este programa de Adquisición y Rehabilitación de Viviendas Asequibles*

*para hacer ofertas de compra de viviendas asistidas que deban ofrecer a las entidades cualificadas una oportunidad de compra previstas en la Sección 65863.11 del Código de Gobierno de California, actuando dentro de las fechas límite establecidas por dicha ley.-*

**d. Oportunidades de Compra de Vivienda, Desarrollo de capacidades y Asistencia Operativa:** *El diez por ciento (10%) Programas-Fondo de Vivienda de Los Ángeles se destinará anualmente a: (1) apoyar las Oportunidades de Propiedad de Viviendas unifamiliares y cooperativas, incluyendo pero no limitándose a la ayuda para el pago inicial, la propiedad de viviendas de capital compartido y la financiación previa al desarrollo asociada a la creación de dichas viviendas; (2) proporcionar financiación para el Desarrollo de la Capacidad de los Fideicomisos de Tierras Comunitarias y otras organizaciones que sirvan y tengan un liderazgo representativo de las Comunidades Desfavorecidas y faciliten la propiedad de los inquilinos; y (3) proporcionar Asistencia Operativa a largo plazo que apoye la nueva construcción, la adquisición y/o la rehabilitación de viviendas existentes en forma de subsidios de arriendo basados en proyectos y de varios años, subsidios de funcionamiento o subsidios de servicios. La Ayuda de Funcionamiento dará prioridad a los proyectos que alberguen a Hogares con Ingresos muy bajos y/o extremadamente Bajos; así como a los proyectos que mantengan la propiedad sin ánimo de lucro, la administración de la Comunidad de Propietarios de Fideicomiso de Tierras y/o la propiedad compartida de los inquilinos. En ningún caso la financiación de la Asistencia Operativa con base en el proyecto será inferior al cincuenta por ciento (50%) de la asignación de Oportunidades de Vivienda, Desarrollo de Capacidades y Asistencia Operativa, ni la financiación del Desarrollo de Capacidades será inferior al diez por ciento (10%) de la asignación de Oportunidades de Vivienda, Desarrollo de Capacidades y Asistencia Operativa.*

**e. Fondo de Estabilización de Programas:** *El cinco por ciento (5%) de los Programas-Fondo de Viviendas de Los Ángeles se asignará anualmente para hacer frente a los déficits de ingresos periódicos para los Programas de Vivienda Asequible y Prevención de la Falta de Vivienda de Viviendas de Los Ángeles que requieren un flujo de ingresos consistente, según lo aconsejado por el Departamento y el Comité de Supervisión y objeto a la aprobación del Consejo de la Ciudad, para incluir la Asistencia Operativa Basada en el Proyecto, el Apoyo a los Ingresos para las Personas Mayores en Riesgo de Alquiler y las Personas con Discapacidad, la Defensa Contra el Desalojo, y los Programas de Alcance y Educación de los Inquilinos, como esos términos se utilizan en esta sección. Cuando el saldo del Fondo de Estabilización de Programas alcance los doscientos millones de dólares (200 millones de dólares), los ingresos excedentes se dividirán por igual y complementarán el programa de Viviendas Asequibles Multifamiliares de la Sección 22.618.3(d)(1)(ii).a., y el programa de Modelos Alternativos para Viviendas Asequibles Permanentes de la Sección 22.618.3(d)(1)(ii).b. de este Código. Si el Fondo de Estabilización de Programas cae por debajo de los doscientos millones de*



dólares (\$200 millones), deberá ser reembolsado hasta esa cuantía antes de que se pueda reanudar el apoyo a estos dos programas de vivienda asequible.

(iii) En la medida en que el gasto de cualquier dinero del Fondo de Viviendas de Los Ángeles resulte en, o contribuya a, el desarrollo, la construcción o la adquisición de proyectos de viviendas de bajo alquiler en la Ciudad de Los Ángeles por parte de agencias públicas, dicho desarrollo, construcción o adquisición se considera por la presente como autorizado por el poblado de Los Ángeles, habiendo sido debidamente aprobado por una mayoría de electores calificados de la Ciudad, y constituyendo dicha autorización la aprobación requerida por el Artículo XXXIV de la Constitución de California. El desarrollo, la construcción y/o la adquisición de unidades de vivienda de renta baja autorizadas por esta sección se sumarán a cualquier otra autorización del desarrollo, la construcción y/o la adquisición de dichas viviendas por parte de los votantes de la Ciudad antes o después de la adopción de esta sección. Esta sección no restringe ni limita en modo alguno la autoridad de la Ciudad para desarrollar o ayudar a desarrollar viviendas que no sean objetas al artículo XXXIV. Esta Sección 22.618.3(d)(1)(iii) se interpretará para maximizar la producción y adquisición de viviendas asequibles. Tal y como se utilizan en esta Sección 22.618.3(d)(1)(iii), los términos “entidad pública”, “desarrollar”, “construir”, “adquirir” y “proyectos de vivienda de renta baja” se interpretarán de conformidad con el Artículo XXXIV de la Constitución de California, la Sección 37000 y siguientes del Código de Salud y Seguridad de California, y cualquier legislación que los sustituya.

(iv) El Departamento tendrá autoridad para aprobar la financiación de cincuenta millones de dólares (\$50,000,000) o menos del Programa-Fondo de Viviendas de Los Ángeles para cualquier proyecto elegible del Programa de Vivienda Asequible sin necesidad de una revisión adicional del Consejo. Dicha ratificación del Departamento deberá ser consistente con los lineamientos adoptados de conformidad con la Sección 22.618.6(c)(1) de este Código. La financiación de cualquier proyecto específico del Programa de Viviendas Asequibles de más de cincuenta millones de dólares (\$50,000,000) requerirá la revisión y ratificación del Consejo Municipal.

**(2) Programa de Prevención de Falta de Vivienda.** El treinta por ciento (30%) de los Programas-Fondo de Vivienda de Los Ángeles se utilizará para el Programa de Prevención de la Falta de Vivienda, como se describe en esta subdivisión y de acuerdo con un plan de gastos adoptado de conformidad con la Sección 22.618.4 de este Código:

**(i) Ayudas al Arriendo e Ingreso de Corto Plazo para Inquilinos Vulnerables.**

**a. Ayuda de emergencia a corto plazo.** El cinco por ciento (5%) de los Programas-Fondo de Viviendas de Los Ángeles se asignará anualmente para proporcionar financiación de emergencia a corto plazo a los hogares de los inquilinos en riesgo de quedarse sin hogar. Los fondos estabilizarán a los inquilinos de bajos ingresos que corren el riesgo de perder su vivienda debido a choques económicos puntuales, y pueden cubrir la totalidad de los pagos de arriendo durante un período corto de hasta 6 meses. Se establecerá una prioridad de elegibilidad para los Hogares con menores ingresos.

**b. Ayudas a los Ingresos para Personas Mayores en Riesgo de Mayor Dificultad para Arrendar y Personas con Discapacidad.** El diez por ciento (10%) de los Programas-Fondo de Viviendas de Los Ángeles se asignará anualmente para proporcionar ayuda a los ingresos y así evitar el desplazamiento de sus hogares a los hogares con carga de arrendar, Viviendas con Ingresos Sumamente Bajos, con Ingresos Extremadamente Bajos y con ingresos Muy Bajos, incluidas las personas mayores (de 65 años o más) y/o las personas con discapacidad en riesgo de quedarse sin hogar.

**(ii) Educación Sobre los Derechos de los Inquilinos, Consejo de Inquilinos, Servicios de Navegación y Prevención de Desahucios.**

**a. Defensa/Prevención de Desahucios.** El diez por ciento (10%) de los Programas-Fondo de Viviendas de Los Ángeles se asignará anualmente a financiar un programa de derecho a asesoramiento que proporcione servicios legales relacionados con la vivienda a los inquilinos de Hogares con Bajos Ingresos amenazados de desahucio.

**b. Divulgación y Educación de los Inquilinos.** El dos por ciento (2%) del los Programas-Fondo de Viviendas de Los Ángeles se asignará anualmente a la prestación de servicios de divulgación, educación y navegación de los inquilinos, incluyendo, entre otros, el suministro de información sobre los derechos de los inquilinos y el Programa de Prevención de la Falta de Vivienda. Los servicios de divulgación, educación y navegación pueden incluir el correo masivo, el mercadeo dirigido, la visualización de datos y los sitios web públicos.

**c. Protección Contra el Acoso de los Inquilinos.** El tres por ciento (3%) de los Programas-Fondo de Viviendas de Los Ángeles se asignará anualmente a la financiación de organizaciones sin ánimo de lucro y servicios de la Ciudad para supervisar y hacer cumplir las protecciones contra el acoso de los inquilinos y otros derechos de los inquilinos, y para informar a los inquilinos de dichas protecciones y apoyarlos en el ejercicio de sus derechos. Al menos el treinta por ciento (30%) de los gastos de Protección contra el Acoso a Inquilinos deberá ser financiado por programas dirigidos por organizaciones sin ánimo de lucro.

**d. Consejo de Inquilinos.** El Departamento establecerá un Consejo de Inquilinos, que se reunirá al menos trimestralmente para supervisar y asesorar al Departamento en relación con la aplicación de las protecciones a los inquilinos y desarrollar estrategias para hacer frente a las violaciones de la Ley de Vivienda Justa y las violaciones de los derechos de los inquilinos en virtud de la ley federal, estatal y local. El Consejo de Inquilinos estará compuesto por inquilinos o personas actualmente sin hogar que viven en la Ciudad. El Consejo estará compuesto por un inquilino o persona actualmente sin hogar de cada Distrito del Consejo. Los nombramientos para el Consejo de Inquilinos serán coherentes con el proceso de nombramientos para el Comité de Supervisión, como se describe en la Sección 22.618.6 de este

*Código. El Consejo Municipal tratará de garantizar una representación diversa en el Consejo de Inquilinos con respecto al nivel de ingresos, la situación de la vivienda, la raza, la identidad de género, la orientación sexual, el origen nacional, la situación de inmigración, la fuente de ingresos, la religión, la edad, la incapacidad, la situación familiar y la lengua principal. El Consejo de Inquilinos estará facultado para recibir informes sobre la aplicación de los programas de ayuda al arriendo, la exclusión de los arrendadores de los programas de ayuda al alquiler y los datos de acoso y desahucio de los inquilinos, y podrá hacer recomendaciones al Comité de Supervisión, al Departamento y al Consejo Municipal para reducir los desahucios y el desplazamiento y aumentar el acceso de los inquilinos a los servicios jurídicos. Los miembros del Consejo de Arrendatarios recibirán una compensación no inferior a 150 dólares por cada reunión a la que asistan. Los miembros pueden renunciar a la compensación.*

#### **SEC. 22.618.4 PLAN DE GASTOS**

- (a) *El año del programa del Fondo de Viviendas de Los Ángeles coincidirá con el año fiscal de la ciudad, del 1 de julio al 30 de junio.*
- (b) *Entre el 1 de enero de 2023 y el 30 de junio de 2023, antes de la creación del plan de gastos inicial, el Departamento puede incurrir en gastos de hasta quinientos mil dólares (\$500,000) de fondos, que se reembolsarán a través del plan de gastos para el Año Fiscal 2023-2024 para establecer el Programa-Fondo de Viviendas de Los Ángeles, incluyendo el establecimiento del Comité de Supervisión, como se menciona en la Sección 22.618.6, y el Consejo de Inquilinos, como se menciona en la Sección 22.618.3(d)(2)(ii).d.*
- (c) *Antes del 1 de julio de 2023, y antes del 1 de julio de cada año posterior, el Departamento proporcionará al Comité de Supervisión y al Ayuntamiento una contabilidad de los ingresos del Programa de Viviendas de Los Ángeles, recaudados en el año fiscal anterior, por categoría de gasto. El Departamento también proporcionará al Comité de Supervisión y al Ayuntamiento un plan de gastos para el año siguiente, que deberá cumplir, en la mayor medida posible, con las directrices del programa desarrolladas de acuerdo con la Sección 22.618.6(c) de este Código. El plan de gastos se aprobará en la forma prevista por la ley y en consonancia con la intención de este artículo.*
- (d) *Cada plan anual de gastos que el Departamento prepare de conformidad con el inciso (c) de esta sección deberá proyectar los ingresos y gastos para al menos tres (3) años. A excepción del Fondo de Estabilización de Programas según la Sección 22.618.3(d)(1)(ii).e de este Código, el dinero de cada Fondo establecido en virtud de este artículo debe comprometerse en un plazo de tres (3) años a partir de su recepción y gastarse en un plazo de cinco (5) años a partir de su recepción, excepto la financiación para los Modelos Alternativos de Viviendas Asequibles Permanentes según la Sección 22.618.3(d)(1)(ii).b, que se comprometerá en un plazo de cinco (5) años y se gastará en un plazo de siete (7) años a partir de su recepción.*

#### **SEC. 22.618.5 REASIGNACIÓN DE FONDOS**

*Los fondos pueden reasignarse periódicamente para adaptarse a las necesidades y oportunidades cambiantes, como se indica a continuación:*

- (a) *Hasta el diez por ciento (10%) de la financiación de*

*cada categoría de gasto de la Sección 22.618.3(d) puede asignarse para su uso en otras categorías de gasto dentro del mismo año fiscal.*

- (b) A partir del 1 de julio de 2033 y cada diez años a partir de entonces, el Comité de Supervisión Ciudadana de Viviendas de Los Ángeles podrá hacer recomendaciones, y el Consejo Municipal podrá aprobar, cambios permanentes en las categorías de gasto indicadas en la Sección 22.618.3(d), siempre que ninguna categoría de gasto reciba menos del 75% de lo que se proporcionó en la década anterior.*
- (c) Las reasignaciones en virtud de las Subsecciones (a) y (b) de esta sección deben ser recomendadas por el Comité de Supervisión Ciudadana de Financiación de Viviendas de Los Ángeles y aprobadas por el Consejo Municipal.*
- (d) El Consejo Municipal puede denegar una recomendación del Comité de Supervisión Ciudadana de Financiación de Viviendas de Los Ángeles o reasignar fondos de una categoría a otra de distinta índole a la recomendada por el Comité de Supervisión solo si se determina por escrito, tras una audiencia pública debidamente notificada, que dicha acción es necesaria para lograr la intención de este artículo.*

#### **SEC. 22.618.6. COMITÉ DE SUPERVISIÓN CIUDADANA.**

*(a) Se crea el Comité de Supervisión Ciudadana de Financiación de Viviendas de Los Ángeles (“Comité de Supervisión”). Antes del 28 de febrero de 2023, el grupo inicial de quince (15) miembros del Comité de Supervisión será designado de acuerdo con esta Sección 22.618.6.*

*(b) El Comité de Supervisión ayudará a garantizar que el Fondo de Viviendas de Los Ángeles y este Artículo se apliquen de forma coherente con el lenguaje y la intención de este artículo y de una manera que sea transparente y responsable para los residentes de la Ciudad. El Comité de Supervisión supervisará y auditará el Fondo; asesorará al Alcalde, al Departamento y al Concejo de la Ciudad sobre las prioridades y las Directrices del Programa autorizadas por la Subdivisión (c) (1) de esta sección; hará recomendaciones al Departamento, al Alcalde y al Concejo de la Ciudad con respecto a las apropiaciones, los Planes de Gastos, la administración del Fondo Viviendas de Los Ángeles y la implementación del Programa de Viviendas de Los Ángeles.*

*(c) El Comité de Supervisión tendrá autoridad para:*

*(1) Elaborar directrices para priorizar el uso de los Fondos de Viviendas de Los Ángeles (“Directrices del Programa”). En un plazo de 120 días a partir de dicha recomendación, el Consejo Municipal podrá aceptar las directrices recomendadas por el Comité de Supervisión o modificarlas de forma coherente con la finalidad de este artículo. Si el Consejo Municipal no se pronuncia en ese plazo, dichas directrices se considerarán aprobadas;*



*(2) Para el 31 de diciembre de 2023, y cada tres años a partir de entonces, o con más frecuencia si el Comité de Supervisión lo considera necesario, llevará a cabo una evaluación de las necesidades con respecto a la falta de vivienda, la asequibilidad de la vivienda, la protección de los inquilinos y las necesidades de vivienda de las poblaciones vulnerables, incluidos, entre otros a, las personas que experimentan la falta de vivienda, las personas mayores en Hogares de Bajos Ingresos, las personas anteriormente sin hogar, las personas con discapacidad, los veteranos, los hogares monoparentales, los jóvenes en transición, los sobrevivientes de la violencia doméstica y los Hogares de Bajos Ingresos. Toda evaluación de las necesidades realizada en virtud de este subinciso incluirá, en la medida en que se disponga de dichos datos, datos desglosados por raza, composición familiar, orientación sexual, edad, incapacidad y género.*

*(3) Contratar a un evaluador o consultor externo para que ayude a realizar la evaluación de las necesidades de vivienda, medir los éxitos y las deficiencias de los gastos del Fondo y supervisar una auditoría externa anual de los ingresos y gastos del Fondo de Financiación de Vivienda de Los Ángeles;*

*(4) Promover y facilitar la transparencia en la administración de los Programas-Fondo de Viviendas de Los Ángeles para asegurar que se está Promoviendo Afirmativamente la Vivienda Justa. Esto incluirá la supervisión y la revisión de los informes, anualmente o con mayor frecuencia según el Comité de Supervisión fije que lo requiere este artículo. El Comité de Supervisión supervisará y auditará la aplicación del Programa de Viviendas de Los Ángeles, incluidos, a mero título ejemplificativo: (A) dólares gastados en la construcción y conservación de viviendas durante un año, en el transcurso de los años, en conjunto, por proyecto, por unidad de vivienda, y desglosado por Código Postal y Distrito del Consejo; (B) número de personas alojadas durante un año, en el transcurso de los años, en conjunto y a medida que cambia con el tiempo, en cada proyecto, en cada unidad, desglosado y con posibilidad de búsqueda por raza, composición familiar, orientación sexual, edad, capacidad y género, y por ubicación y nivel de ingresos (Hogares con Ingresos Sumamente Bajos, con Ingresos Extremadamente Bajos, con Ingresos Muy Bajos, con Ingresos Bajos y con Ingresos Moderados); y (C) residentes atendidos por el Programa de Prevención de la Falta de Vivienda durante un año, a lo largo de los años, en conjunto y a medida que cambia con el tiempo, por Distrito del Consejo, y desglosado y consultable por raza, composición familiar, orientación sexual, edad, capacidad y género.*

*(5) El Comité de Supervisión estará autorizado a celebrar audiencias públicas para investigar y compartir sus conclusiones con el público.*

*(6) El Comité de Supervisión puede solicitar informes a los directores generales de los departamentos de la Ciudad, incluyendo pero no limitándose al Departamento, y a los presidentes de los comités del Consejo Municipal, incluidos, entre otros al Comité de Vivienda. El Comité de Supervisión tendrá acceso a toda la información relevante para su trabajo y estará autorizado a recibir información relevante de otras entidades de la Ciudad según lo requerido por este artículo, incluyendo información relacionada con el Elemento Vivienda y su implementación, el progreso hacia las asignaciones de la Evaluación Regional de Necesidades de Vivienda y el progreso hacia la Promoción Afirmativa de la Vivienda Justa.*

*(7) El Comité de Supervisión estará autorizado a identificar e investigar posibles conflictos de intereses en la asignación y ejecución de la financiación y a dar a conocer estos hallazgos al público.*

*(8) Para promover la transparencia y la rendición de cuentas, el Comité de Supervisión celebrará una reunión anual en el ayuntamiento para informar sobre los avances y las deficiencias de los Programas del Fondo de Viviendas de Los Ángeles y escuchar al público. Esto se sumará a otras reuniones públicas exigidas por este artículo o que el Comité de Supervisión considere necesarias.*

*(9) Promover la implementación culturalmente sensible de los programas financiados por el Fondo de Viviendas de Los Ángeles.*

*(10) Sobre la base de los resultados de la evaluación de las necesidades de vivienda, el cumplimiento del Elemento de Vivienda, el progreso hacia las asignaciones de la Evaluación Regional de las Necesidades de Vivienda, y el progreso hacia la Promoción Afirmativa de la Vivienda Justa, el Comité de Supervisión revisará los programas y los gastos y hará ajustes a las Directrices del Programa a que se hace referencia en la Subdivisión (c) (1) de esta sección para lograr mejor los objetivos de este artículo, incluyendo el logro de los objetivos de equidad racial y la reversión de las prácticas de exclusión, la expansión de la vivienda asequible en todos los Distritos del Consejo para satisfacer la necesidad y revertir la segregación, y la priorización de la financiación de los programas centrados en los hogares de Ingresos Sumamente Bajos, Ingresos Extremadamente Bajos, Ingresos Muy Bajos y de Bajos Ingresos, y la priorización de los subsidios de alquiler a los Hogares de Ingresos Sumamente Bajos y Extremadamente Bajos.*

*(d) Miembros del Comité de Supervisión.*

*(1) El Comité de Supervisión tendrá trece (13) miembros con derecho a voto y dos (2) miembros asesores para apoyar el desarrollo del liderazgo juvenil.*

*(2) Las categorías de miembros son las siguientes:*

*(i) Desarrollo, Preservación y Financiación de la Vivienda.*

*a. Asiento #1: Una persona con al menos cinco (5) años de experiencia en la resolución judicial de alto nivel en el desarrollo y conservación de viviendas asequibles sin ánimo de lucro.*

*b. Asiento #2: Una persona con al menos cinco (5) años de experiencia en la gestión de activos y propiedades sin ánimo de lucro y operaciones, con preferencia por personas con experiencia en prácticas de gestión de inquilinos o propiedad de residentes.*

*c. Asiento #3: Una persona con al menos cinco (5) años de experiencia en la financiación de la vivienda (bonos exentos de impuestos, impuestos, trabajo con agencias de financiación, etc.).*

*d. Asiento #4: Una persona con al menos cinco (5) años de experiencia como miembro de un sindicato de la construcción que participe en el desarrollo de la mano de obra, en programas de aprendizaje y en la negociación de Acuerdos Laborales para Proyectos de vivienda a gran escala.*

*e. Asiento #5: Una persona con al menos cinco (5) años de experiencia en Fideicomisos de Tierras Comunitarias sin fines de lucro o corporaciones de desarrollo comunitario.*

*f. Asiento #6: Una persona con al menos cinco (5) años de experiencia en el desarrollo orientado al tránsito.*

*(ii) Protección y Apoyo al Inquilino.*

*a. Asiento #7: Una persona con al menos cinco (5) años de experiencia como organizador o abogado de los derechos de los inquilinos que trabaje en una organización de base comunitaria en nombre de los inquilinos de hogares con Ingresos Bajos.*

*b. Asiento #8: Una persona con al menos cinco (5) años de experiencia como organizador o abogado que trabaje en una organización de base comunitaria para abordar las necesidades de vivienda de las personas mayores y/o las personas con discapacidad.*

*c. Asiento #9: Una persona con al menos cinco (5) años de experiencia como experto en derechos de los inquilinos o en vivienda justa que represente o abogue por los inquilinos.*

*(iii) Experiencia Vivida y Pericia.*

*a. Asiento #10: Una persona con al menos cinco (5) años de experiencia como inquilino en un Hogar de Bajos Ingresos y/o al menos un año experimentando la falta de hogar;*

*b. Asiento #11: Una persona con al menos cinco (5) años de experiencia como inquilino de un Hogar de Bajos Ingresos y/o al menos un año experimentando la falta de hogar.*

*c. Asiento #12: Una persona con al menos cinco (5) años de experiencia como representante de un sindicato del sector público o de servicios, cuyos miembros velen contra los costos de la vivienda.*

*d. Asiento #13: Una persona con al menos cinco (5) años de experiencia como líder de la comunidad o un organizador que abogue por el tránsito de alta calidad cerca de la vivienda asequible y los centros de trabajo y para la identificación de opciones de movilidad asociados con la producción de viviendas asequibles.*

*(iv) Juventud. Asientos # 14 y 15: Dos miembros asesores, sin derecho a voto, del Comité de Supervisión serán personas de entre 16 y 21 años de edad.*

*(3) Elegibilidad.*

*(i) Los miembros del Comité de Supervisión deben residir en la Ciudad de Los Angeles.*

*(ii) Ninguna persona que esté ejerciendo actualmente como funcionario público electo de la Ciudad, el Condado, el distrito especial, el Estado o el gobierno Federal puede actuar como miembro del Comité.*

*(iii) Se modifica el código local de conflictos de intereses de la Ciudad en virtud de la Ley de Reforma Política para exigir a los miembros del Comité de Supervisión que presenten declaraciones anuales de intereses económicos y que cumplan con las disposiciones sobre ética y conflictos de intereses de dicha Ley.*

*(4) Nombramiento.*

*(i) Nombramientos iniciales: El personal del Departamento presentará al Alcalde al menos tres candidatos cualificados para cada categoría de miembro. El Alcalde nombrará a los miembros de cada categoría enumerada en la Subdivisión (d)(2) de esta sección, objeto a ratificación del Consejo Municipal.*

*(ii) Los miembros del Comité de Supervisión tendrán un mandato de cinco años. Sin embargo, los puestos 1, 2, 7, 10 y 11 tendrán un mandato inicial de tres años; los puestos 3, 4, 8, 12 y 14 tendrán un mandato inicial de dos años; y los puestos 5, 6, 9, 13 y 15 tendrán un mandato inicial de un año. Los miembros pueden ser reelegidos por un número ilimitado de mandatos a discreción del Alcalde.*

*(iii) Nombramientos posteriores. Una vez contratado el personal del Comité de Supervisión, su personal presentará al Alcalde al menos tres candidatos cualificados para cada vacante del Comité. El Alcalde nombrará a los miembros, objeto a ratificación del Consejo Municipal.*

*(5) Renuncia; Inhabilitación. Los miembros del Comité de Supervisión pueden, en cualquier momento, renunciar al Comité de Supervisión mediante notificación escrita entregada al Comité de Supervisión y al Alcalde. El hecho de que un miembro del Comité de Supervisión ocupe un cargo público inhabilitante, o de que un miembro del Comité presente su intención de aspirar a dicho cargo público, incluida una declaración de candidatura de conformidad con el Sección 85200 del Código de Gobierno de California, o de que un miembro del Comité de Supervisión se traslade fuera de la Ciudad, descalificará al miembro para seguir prestando servicios en el Comité de Supervisión una vez que el Departamento entregue la notificación de ese hecho al Comité de Supervisión.*

*(6) Motivos de Destitución/Despido. Los miembros del Comité de Supervisión sólo podrán ser destituidos antes de finalizar su mandato por causa. La causa incluye: (i) más de dos ausencias a las reuniones del Comité en un período de 12 meses que no hayan sido*



*excusadas por el Comité; (ii) más de tres ausencias a las reuniones del Comité en un período de 12 meses aunque hayan sido excusadas por el Comité; (iii) no participar activamente en las reuniones, comités, subcomités o proyectos o responsabilidades del Comité de Supervisión; (iv) actuar en conflicto con la intención o el lenguaje de la medida de iniciativa que adoptó esta ordenanza, incluyendo oponerse a la construcción o preservación de viviendas asequibles; (v) interrumpir las reuniones o el trabajo del Comité de Supervisión o no cumplir con los códigos de conducta aceptados. (vi) no revelar un conflicto de intereses relacionado con una decisión pendiente ante el Comité; y (vii) la violación de la ley que rige la conducta del Comité de Supervisión, incluyendo pero no limitado a la Ley de Reforma Política de 1975 y la Ley Ralph M. Brown.*

*(7) Divulgación y Recusación. Los miembros del Comité de Supervisión deben revelar cualquier conflicto de intereses, real o aparente, según determine la Comisión de Ética. Si un miembro del Comité de Supervisión tiene un interés financiero directo o indirecto en una resolución judicial del Comité de Supervisión, debe recusar su participación en el asunto y presentar el formulario 51 a la Comisión de Ética (Formulario de Notificación de Recusación) o cualquier otro que lo sustituya. Si se alega un conflicto de intereses por parte de los miembros del Comité de Supervisión o del personal de la Ciudad, el asunto se comunicará al Inspector General al que se hace referencia en la Subdivisión (g)(2) de esta sección para que investigue e informe al Comité de Supervisión según sea necesario. Nada de lo dispuesto en esta sección alterará o disminuirá la autoridad de la Comisión de Ética de la Ciudad.*

*(8) Presidente y Vicepresidente. El Comité de Supervisión elegirá entre sus miembros un Presidente y un Vicepresidente para cada año fiscal . Los miembros pueden ejercer la Presidencia o la Vicepresidencia durante un máximo de tres años fiscales consecutivos.*

*(e) Remuneración de los miembros del Comité. Los miembros del Comité de Supervisión recibirán una compensación por la asistencia a las reuniones no inferior a 150 dólares por reunión. Los miembros pueden renunciar a la compensación.*

*(f) Reuniones. El Comité de Supervisión se reunirá al menos seis veces al año, excepto en el año fiscal 2022-23, en el que el Comité de Supervisión se reunirá al menos dos veces. Los subcomités se reunirán cuando el Comité de Supervisión lo considere necesario.*

*(g) Personal. La Ciudad proporcionará al Comité de Supervisión el personal adecuado.*

*(1) El Comité de Supervisión determina sus propias necesidades de personal y recursos con sujeción al límite del Fondo-Administración de Viviendas de Los Ángeles establecido en la Subsección (b) de la Sección 22.618.3 de este artículo.*

*(2) El Comité de Supervisión contratará a un Inspector General como personal principal al servicio del Comité de Supervisión. El Inspector General puede ser destituido por el Consejo Municipal por la causa que sea suficiente para aprobar la gestión en virtud del Sección 1016 de la Carta de la Ciudad. El Inspector General tiene autoridad para contratar o despedir personal adicional y gastar los recursos presupuestados, según sea necesario. El Comité de Supervisión examinará y aprobará el presupuesto del Inspector General.*

*(h) Subcomités.*

*(1) El Comité de Supervisión puede crear subcomités o comités consultivos para ayudar en su trabajo.*

*(i) Nada en esta Sección limitará la autoridad del Alcalde y del Concejo Municipal para proponer, enmendar y adoptar el presupuesto de la Ciudad de acuerdo con la Carta de la Ciudad, siempre que dicho presupuesto respete las asignaciones requeridas por este artículo.*

#### **SEC. 22.618.7. OBRAS DE CONSTRUCCIÓN.**

*(a) Cualquier proyecto de construcción o rehabilitación que reciba fondos o financiación de esta medida, constituirá una obra pública por la que se pagarán los salarios vigentes a efectos del Capítulo 1 (que comienza con la Sección 1720) de la Parte 7 de la División 2 del Código Laboral.*

*(b) Todas las construcciones y rehabilitaciones de proyectos de 40 unidades o más que reciban fondos o financiación de esta medida estarán sujetas al Contrato Laboral del Proyecto del Departamento de Contrato Laboral de la Ciudad de Los Ángeles. A los efectos de esta subdivisión, el número de unidades significa el número máximo de unidades autorizadas en cualquier derecho concedido por la autoridad de permisos de uso de la tierra para el proyecto de desarrollo, independientemente de si la construcción procede en fases o la propiedad se divide.*

*(c) Si se negocia un Contrato Laboral del Proyecto (PLA) específico para toda la medida con el acuerdo mutuo entre el Consejo de Oficios de la Construcción de los Condados de Los Ángeles/ Orange y la Asociación de Viviendas sin Fines de Lucro del Sur de California (SCANPH) y es aprobado por el Concejo de la Ciudad de Los Ángeles, entonces los contratistas que realicen construcciones y obras de rehabilitación en proyectos que reciban fondos o financiamiento de esta medida deberán cumplir con el PLA específico para toda la medida, en lugar del PLA del Departamento de Obras Públicas.*

*(d) A efectos de esta subdivisión, “contrato laboral del proyecto” tiene el mismo significado que en el párrafo (1) de la subdivisión (b) de la Sección 2500 del Código de Contratos Públicos.*

#### **SEC. 22.618.8. AUTORIDAD DEL CONSEJO PARA MODIFICAR**

*(a) El Consejo Municipal puede modificar este Artículo o cualquier otra disposición de la medida de iniciativa que lo adoptó, siempre y cuando:*

*(1) Dichas enmiendas fomenten o faciliten los fines establecidos en la Sección 22.618.1 de este artículo y los fondos del Fondo de Vivienda de Los Ángeles se gastarán de acuerdo con la Sección 22.618.3 de este artículo;*

*(2) Ninguna de estas modificaciones pueda aumentar el impuesto en virtud del Subsección (b) de la Sección 21.9.2 del Código Municipal en el sentido de la Sección 53750(h) del Código de Gobierno de California sin la ratificación de los votantes exigida por el artículo XIII de la Constitución de California.*

*(3) Dicha modificación no podrá reducir los requisitos del Sección 22.618.7.*

*(b) El Comité de Supervisión revise cualquier propuesta de enmienda a este artículo o a cualquier otra disposición de la medida de iniciativa que lo adoptó antes de que el Concejo Municipal adopte la enmienda propuesta y pueda expresar una opinión sobre si la enmienda promueve los propósitos establecidos en la Sección 22.618.1 de este artículo y es consistente con las categorías de gastos en la Sección 22.618.3 de este artículo. Si el Comité de Supervisión opina que una propuesta de enmienda no es coherente con esos propósitos, el Consejo Municipal deberá dar conclusiones por escrito en disposiciones contrarias, apoyadas por pruebas sustanciales en el expediente que tiene ante sí, para justificar que se proceda con la enmienda a pesar de esa opinión contraria.*

## **SECCIÓN 5: TÉRMINO DE MEDIDA**

Una vez adoptada, esta Ordenanza del Programa de Los Ángeles para Prevenir la Falta de Vivienda y Financiar la Vivienda Asequible entrará en vigor el 1 de enero de 2023 y permanecerá en vigor hasta que sea derogada por el Pueblo de la Ciudad de Los Ángeles.

## **SECCIÓN 6: AUMENTO DEL LÍMITE DE LAS ASIGNACIONES DE FONDOS**

De conformidad con el Artículo XIII B de la Constitución de California y las leyes aplicables, durante cuatro años a partir del 3 de noviembre de 2022, el límite de las asignaciones para la Ciudad se incrementará con la suma total recaudada por la recaudación del impuesto en virtud del Subsección (b) de la Sección 21.9.2 del Código Municipal.

## **SECCIÓN 7: DIVISIBILIDAD DEL CONTRATO**

ESTE ACTO se interpretará de manera que sea coherente con todas las leyes federales, estatales, locales, normas y reglamentos. Si alguna sección, subsección, subdivisión, cláusula, oración, frase o porción de esta medida de iniciativa es declarada inconstitucional o inválida por un tribunal de jurisdicción competente, las restantes secciones, subdivisiones, cláusulas, oraciones, frases y porciones permanecerán en plena vigencia y efecto, y con este fin las disposiciones de esta medida de iniciativa son divisibles. Los votantes declaran así que habrían aprobado todas las secciones, subsecciones, subdivisiones, cláusulas, oraciones, frases y porciones de esta medida de iniciativa sin la sección, subsecciones, subdivisión, cláusula, oración, frase o porción considerada inconstitucional o inválida.