

Los Angeles Housing Department Term Sheet

United to House Los Angeles (ULA) - Multifamily Affordable Housing

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

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

	<ul style="list-style-type: none"> • Costs that would normally be paid by the Limited Partnership or Limited Liability Company • The payment of delinquent taxes, fees, or charges on properties 						
Loan Assistance and Term Limits	<p>Limit: The maximum loan limit is up to 30% of the Total Development Cost (TDC).</p> <p>Type: Predevelopment, construction (including reimbursement of acquisition and predevelopment costs) and permanent loans. Permanent loans may allow for transfer of ownership to a legal entity owned and/or controlled by residents. These loans will be provided in the form of residual receipts loans.</p> <p>Interest Rate: Three Percent (3%) simple interest. LAHD reserves the right to determine a lower interest rate of no less than 1% if it is found to be necessary for project feasibility.</p> <p>Term of Loan: Fifty-Seven (57) years (i.e. a 24-month construction period followed by a fifty-five (55) year permanent loan period). LAHD reserves the right to negotiate a longer term if it is determined necessary for financial feasibility.</p> <p>Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law. However, a more limited affordability covenant, albeit with a fixed term of no less than 55 years, shall be acceptable if necessary, as verified by the Los Angeles Housing Department if such shorter covenant period is necessary for the Project to meet the requirements of the Project's other funding sources, such as a "true debt for tax credit financing.</p> <p>Subordination: The Regulatory Agreement for ULA designated units will not be subordinated. The LAHD will require other lenders (senior and junior) to execute a Subordination Agreement to subordinate to the ULA Regulatory Agreement. The LAHD will, however, subordinate its Deed of Trust, with right to cure, to conventional loans and other public lenders.</p>						
Threshold Requirements	<p>Threshold Requirements are enumerated in the table below:</p> <table border="1"> <thead> <tr> <th>Threshold Item</th><th>Required Documents</th></tr> </thead> <tbody> <tr> <td>1: Project demonstrates Financial Feasibility</td><td>Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;</td></tr> <tr> <td>2: Project sponsor must disclose potential conflicts</td><td>Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the</td></tr> </tbody> </table>	Threshold Item	Required Documents	1: Project demonstrates Financial Feasibility	Document 1: Completed UNOFA Application and Financial Proforma; ULA Operating Assistance applicants must also provide a Variance Analysis as part of the Proforma showing causes of operating gaps;	2: Project sponsor must disclose potential conflicts	Document 2: Sponsor must submit a signed certification disclosing all partnerships, corporations, all properties owned by the
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of interest and legal/financial liabilities	applicant, and other entities in which the sponsor is a principal (identities of interest, conflicts of interest and default/foreclosures);
3: Project must have Site Control and Clean Title	Document 3: Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8); Projects applying for HUD-funded programs must also provide Proof of Voluntary Acquisition;
4. Project sponsor must pass Sponsor Underwriting	Document 4: Project sponsor must submit the proposed ownership and management structure of the project, as well as key organizational documents of the sponsor; Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;
5: Project site valuation must be supported by an appraisal	Document 5: Project sponsor must submit a certified appraisal;
6: Project sponsor must commission Environmental Site Assessments (ESAs) and remediate hazards	Document 6: Project sponsor must submit recent Phase I and/or Phase II ESAs;
7: New Construction projects must undergo evaluation of geo-technical engineering of subsurface soils	Document 7: Project sponsor must submit a Soils Report;
8: Projects involving demolition must identify lead and asbestos hazards	Document 8: Project sponsors must submit an asbestos assessment and lead-based paint report. For new construction projects with complete demolition, the application may presume presence of lead and asbestos but must submit a letter indicating that all appropriate hazard abatement protocols will be followed;

9: Projects must show comply with architectural standards; ULA New Construction projects must meet a 40 unit count minimum	Document 9: Project sponsor must submit concept architectural plans and/or schematics; Applications opting for Enhanced Accessibility Program points must include compliant features as part of the submission;
10: Project sponsor must provide a self-score for the Homes for LA NOFA funding program for which it is applying	Document 10: Project sponsor must provide a Self-Score Form for Competitive Criteria, which must also certify that the applicant has fully read through the Homes for LA NOFA Regulations;
11: Project sponsor must provide relocation assistance to projects involving displacement of qualified households	Document 11: Project sponsor must provide a Relocation Project Summary Assessment
12: Project must comply with Housing Crisis Act (HCA), Resident Protection Ordinance (RPO), and United to House LA (ULA) replacement requirements	Document 12: Project sponsor must submit a Replacement Unit Determination (RUD);
13: Project must comply with Accessibility Standards	Document 13: Self-Certification Form for Compliance to Accessibility Standards;
14: Sponsor must commit to timely completion of work	Document 14: Sponsor must submit a Milestones Commitment Letter;
15: Sponsor must certify compliance with LAHD business policy and general City requirements	Document 15: Sponsor must submit an Assurances and Conditions form;
16: For projects with tax credits in the capital stack only, project must demonstrate competitiveness for tax credits	Document 16: Projected self-score and tiebreaker for CTCAC application or CDLAC application;

	17: For Permanent Supportive Housing (PSH) projects only , sponsor must demonstrate commitment of operating/rental subsidy	Document 17: Evidence of committed Project-Based Vouchers (PBVs) or other long-term operating subsidy
	21: For ULA projects with at least 40 units only , construction must comply with a Project Labor Agreement	Document 21: For ULA-funded projects with 40 or more units, project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement;
	27: List of Entities and Names of Partners	Document 27: Upload LAHD form naming beneficial owners of any Special-Purpose Entities (SPEs)

Evaluation and Scoring Criteria	If the project is determined to meet Threshold Criteria, the project will be subject to the below scoring table:																						
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All ULA Multifamily Affordable Housing projects will be subject to the following scoring requirements.

ULA Multifamily	Points
TCAC/CDLAC Scoring Competitiveness	25

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