

Q&A Set 3: 9/6/2025-9/15/2025

Regulation Section	Question	Answer
Section 2		
Section 2.13	<p>Is a relocation assessment required if there are no residential units and the only commercial or public use tenant is the owner and will be vacating the site voluntarily?</p> <p>If required, would an attestation to these facts from the applicant be sufficient?</p>	The relocation assessment is document number 11 and is a required threshold item regardless of the project.
Section 2.13	<p>Is a Rental Use Determination required if there are no residential units?</p> <p>Can a project submit an No Net Loss Determination letter in lieu of an RUD?</p>	If there have been no residential units that existed in the LAHD 5 year look back period, they should be able to submit a No Net Loss Declaration to DBS in lieu of a RUD. If residential units existed within the 5 year look back period, the applicant will likely be required to obtain a RUD from LAHD.
Section 2.8	Does a CASp consultant need to be involved in a preservation deal with no rehabilitation?	In order to be competitive, the project would likely need to be brought into compliance with accessibility standards.
Section 3		
Section 3.1	<p>Will there be any updates to the Credit Check Authorization form?</p> <p>Should the credit check authorization be for the sponsor entity, or does it need to be completed for special purpose entities such as LLCs and LPs that have no affiliation with other projects or business endeavors?</p>	There will be no changes to the CC authorization form. The form should be filled out by any and all entities providing experience, financial guarantees, and/or other commitments relevant to LAHD's underwriting of the development team.
Section 5		
Section 5	If errors are found in the application excel, will LAHD accept partially filled out applications to correct the errors, prior to the application due date?	No. An incomplete application would not meet threshold requirements.
Section 5 Documents 6 and 7	What, if any additional steps are required if a project is determined to be located within a liquefaction zone area, but Phase 1 ESA found no recognized environmental conditions or RECs?	If the project is located within a liquefaction zone area, we do require that a Soil Report, which is approved by the Building & Safety be submitted to us. Building & Safety may require additional measures for the structure to be built.

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Regulation Section	Question	Answer
Section 5 Documents 4 and 24	Also, the regs say: "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." What is the technical definition of a "history of affordable housing development"? Assuming we do not meet the definition, can an organization's executive's qualify the organization? If so, what is the specific requirement for them? If not, what are the specific requirements a partner organization would need to demonstrate?	The Department is looking for development teams that can demonstrate experience with developing similar projects to the one in which they're applying.
Section 5 Document 4	Regarding threshold item document #4: Are both organizations applying as project sponsors (developer & CLT) required to submit three years of audited financial statements, or will the lead housing developer's audited financial statements be sufficient? My organization's operating budget has not exceeded \$2 million; therefore, we have not commissioned an audit. However, we do work with a CPA to oversee our books and produce financial reports.	The lead developers' AFS will be sufficient.

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Regulation Section	Question	Answer
Section 5 Document 24	<p>Regarding Alternative Models Tenant Governance requirement: For ULA Alternative Models and ULA Acquisition & Rehabilitation projects, the scoring notes that tenant governance experience may be demonstrated through</p> <p>Community Agreements, meeting minutes from Resident Councils, trainings, or resident attestations. Would meeting minutes from Resident Councils of tenant associations that our organization supports-but does not own-be acceptable as documentation of tenant governance experience?"</p>	<p>Yes, meeting minutes from resident councils supported by the applying organization can count. More generally, tenant organizing experience counts towards the tenant governance points requirement.</p>

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Regulation Section	Question	Answer
<p>Section 5 Document 24</p>	<p>Regarding Alternative Models Tenant Governance: In regard to the requirement for Alt Models, which encourages residents to have the right to participate meaningfully in the governance of the project, including resident ownership, where feasible and desirable. For our specific project, a 3-scattered-site development, can a mix of residential TAY units and limited-equity housing cooperatives be rendered acceptable for the application?</p> <p>More specifically regarding this requirement, "If the property consists of condominiums, is an LEHC, or includes another form of homeownership, a timeline and process for the establishment and convening of the governing body, as well as the development of policies regarding homebuyer education and access to lending opportunities and down payment assistance, marketing and sales policies that meet Affirmatively Furthering Fair Housing standards, and any applicable Right of Return or Right of First Refusal policies, and establishment of a Resale Formula."</p> <p>My interpretation is that during pre-development and construction, the LEHC is formed, so that when the building is ready to be occupied, potential shareholders are accepted. Is this correct? Or is the building to be first a rental with a resident council that will be guided towards a LEHC?</p>	<p>Limited-equity housing cooperatives (LEHCs) are encouraged by the ULA Measure and Ordinance. However, LAHD does not currently have the ability to finance LEHC deals because the Department lacks the regulatory framework to underwrite, monitor, and oversee LEHCs at this time. As such, LAHD will only consider NOFA applications for deals structured as multifamily rental projects. All multifamily rental projects seeking funds through the Homes for LA NOFA must show long-term financial stability and will be underwritten against the multifamily rental model. That being said, LAHD welcomes projects that seek to convert to LEHCs in future years, and applicants are welcome to provide additional narratives and attachments describing how a hypothetical conversion might occur.</p>

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Regulation Section	Question	Answer
Section 5 Documents 13, 9 and 4	<p>At the bidders' conference, LAHD staff indicated that the number of accessible units will be based on the TCAC regulations.</p> <p>The TCAC regulations indicate that ADA accessible units for Rehabilitation projects are calculated at 10% for mobility units and 4% for sensory units. Can you please confirm that this is the correct standard to apply for a rehabilitation project for the NOFA and development plans.</p>	Confirmed that the accessibility requirements for rehab projects are calculated at 10% for mobility and 4% for sensory units.
Section 5 Document 1	Can you clarify whether LAHD will be changing the hard cost contingency requirements from 15%/10% to 10%/5% to better align with industry standards?	The requirements for hard cost contingency are 10% for new construction and 15% rehabilitation projects. This is reiterated in Section 5 of the NOFA regulations.
Section 5 Document 16	Would a project with a TCAC reservation be eligible to apply for funding without giving back the reservation?	Yes.
Section 5 Document 4	<p>Excludes projects that don't conform to local zoning laws or housing code.</p> <p>If the buildings are grandfathered into compliance, why would this be prohibited?</p> <p>It the rehab will bring the property into compliance, is that acceptable?</p>	The project should be in conformance with all zoning laws and regulations, which are enforced by the Department of City Planning (DCP). For further clarification, please reach out to DCP.
Section 5 Document 24	Can resident council experience be demonstrated with a resident council that represents an organization's portfolio, or does the council have to represent a specific building?	LAHD does not make this distinction.
Section 5 Document 3	Site control: What forms of site control will be accepted across these programs (purchase & sale, option to purchase, DDA) and how long must they be in place?	LAHD has already answered this question in detail. Please see Section 5 Threshold Item 3 of the Homes for LA NOFA Regulations.

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Regulation Section	Question	Answer
Section 5 Document 24	Tenant governance documentation: Is there a preferred format (bylaws, board structure, minutes) that LAHD expects to see?	LAHD has already answered this question in detail. Please see Section 5 Threshold Item 24 of the Homes for LA NOFA Regulations.
Section 5 Documents 11 and 12	RSO/relocation: Are there any additional requirements specific to RSO properties we should be aware of (habitability, relocation plans, right of return)?	All or the requirements are explained in the NOFA. Please review Documents 11 and 12.
Section 5 Document 1	The email sent by LAHD stated, "The proforma workbook required for each project's application will be accessible on the UNOFA portal as a downloadable form for completion and re-upload." -- Can you help me locate the proforma workbook?	The proforma workbook is in the Supporting Documents section of each application.
Section 5 Document 4 and 24	Who should be included on the application as members of the Development Team?	All parties involved.
Section 5 Document 16	If a project proposes tax credits in conjunction with Alt- Models New Construction, will TCAC/CDLAC scoring competitiveness apply?	Yes.
Section 7		
Section 7	Do we need to have a business license for special purpose entities prior to applying?	SPEs do not need to have a completed and approved BTRC upon application.
Section 7	<p>We are proposing a scattered-site recapitalization, which includes portfolio preservation and the acquisition of new units for rehabilitation. Can multiple Preservation sources fund different project types within the same scattered-site project?</p> <p>Can a Preservation source be used in a scattered-site project, even if it does not fund all of the buildings in the project?</p>	Multiple preservation sources may be eligible to fund different project types within the same scattered site project. A preservation source may be used to fund a portion of a scattered site project as long as the entire building complies with the requirements of the preservation program loan terms. In all cases, projects would need to be individually competitive and compliant with the threshold requirements.

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Regulation Section	Question	Answer
Section 7.7	<p>Regarding Priority Populations (3BR units or Special Needs or ALI/ELI or Seniors):</p> <p>We are exploring the possibility of reserving a few units for TAY in our scattered site project. Is it allowable or recommended to concentrate all TAY units within one building?</p>	The applicant may concentrate TAY units within a building. LAHD is looking to experienced operators of special needs units to propose your vision for how these needs should best be managed.
Sections 7.2 and 7.4	<p>Question 28 of the Q&A published on 8/26/25 states that "paper costs" will be included in the TDC. We wanted to clarify our question. By "paper costs" we are referring to costs that pay for themselves and generate additional basis and equity (such as accrued and deferred soft loan interest and contributed developer fee) and costs that show the value of land that is either donated or paid for solely out of residual receipts.</p> <p>Can you please confirm that LAHD would consider these as part of the TDC for scoring purposes? If so, 4% projects and projects with donated land would be at a disadvantage compared to 9% projects.</p>	As a general rule, the term TDC refers to all project costs from predevelopment to perm conversion. LAHD understands that there will be some situations, such as calculation of qualified basis, where inclusion of certain "paper costs" into the project's TDC might be financially beneficial. There are also some situations where an applicant may prefer that LAHD exclude certain paper costs from the TDC in order to improve a project's cost effectiveness score.
Section 7.14	Previous commitments of funds gives as an example philanthropic funds, but other government funding commitments also count, correct?	Yes.
Sections 7.2 and 7.7	Can you specify how a project applying to the Pooled Sources Multifamily or ULA Multifamily Affordable Housing funding programs would receive the full 5 points for Priority Populations Served? Both programs do not have a required amount of three bedroom units and/or Special Needs and/or ALI/ELI and/or Seniors listed in the Homes for LA NOFA Term Sheets. Thank you.	Answered at question through sets 1 and 2.

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Regulation Section	Question	Answer
Section 7	Will partial points be assigned for Feasibility, Cost Effectiveness, and/or Site Efficiency? For example, if half of the Feasibility points (10 points) are awarded for strong cash flow, will a project receive either 0 or 10 points for this criterion or is it a sliding scale? If the latter, how will LAHD determine the points the project receives?	The Feasibility definition explicitly discusses partial points (e.g., "LAHD will deduct from the max score" and "LAHD may use a relative standard to calculate this portion), and LAHD will make use of Project and Sponsor Underwriting criteria to award partial points. For the Cost Effectiveness definition, the first half of the scoring (TDC per rentable square foot relative to other applicants) is partial points. LAHD is not yet ready to provide guidance on the second half of the Cost Effectiveness points (requesting less than maximum possible loan)
Section 7	Can you confirm a new organization without 3 years of audited financial statements is still eligible to pass the Sponsor Underwriting threshold requirement? It was previously stated LAHD would accept applications from new organizations without 3 years of audited financial statements, but could these entities still score well given they're considered "higher risk"?	Sponsors that do not submit the three years of AFS unless they're only applying for Operations Assistance funds, will not receive full sponsor underwriting points if they fail to submit 3 years worth of audited financial statements.
Homes For LA Webpage/General		
General	What does significant financial distress mean? How will it be determined?	Significant financial distress has many meanings and may present differently across several project types. However, it may be broadly defined to encompass a building whose revenue does not meet its expenses and therefore has a negative cashflow. This is not the only factor evaluated, rather, one of many factors evaluated.
General	Feasibility is a significant portion of the points in all programs, but the underwriting guidelines are vague and subjective. Can LAHD please provide more detail on what the requirements are to obtain full points? How will partial points be allocated?	LAHD published underwriting guidelines to our Homes for LA webpage on September 5.

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Regulation Section	Question	Answer
General Small NOAH	I was sent these inquiries from tenants interested in your programs-- please let me know what I should send back. Small NOAH: Do you know when the RFP for a fund administrator will be finalized, and whether tenant-led co-ops (with a 501(c)(3) partner like Union de Vecinos) will be eligible borrowers?	The Small NOAH Fund Administrator RFP was released on Monday September 1, 2025. LAHD will have an answer to the question about tenant-led co-op eligibility after an experienced Fund Administrator will have been selected.
General Small NOAH	Eligibility overlap: Can tenant groups pursue both the Homes for LA NOFA programs and the Small NOAH program, or do we need to prioritize one track?	The Small NOAH program is not yet close to launch, while the Homes for LA NOFA is receiving applications. There is no restriction against applying to one solicitation or the other, but the Small NOAH program fundamentally serves only the smallest projects, while the Homes for LA NOFA serves large multifamily projects. We do not believe there is any overlap between the Small NOAH projects and the Homes for LA projects.
General Small NOAH	Funding structure: For Small NOAH, will funds cover both acquisition and immediate rehab/reserves? Are pre-acquisition costs (legal, appraisal, option deposits) allowable?	Yes, however, the Small NOAH program is not part of the Homes for LA NOFA.
Homes For LA Webpage	Can you please provide a link to the LAHD underwriting guidelines?	The LAHD website has a Homes for LA webpage . The Homes for LA webpage lists several resources in the Exhibits section, and the Project and Sponsor Underwriting Guidelines are publicized there. Please note that some webpage updates have not been showing up to all users, and this may be because users recently accessed our site before an update. It may help to clear your browser's cache if you are not seeing updates and resources that we told you to expect.
Underwriting	Is there a minimum number of projects/units completed in the last 5 years needed to pass Sponsor Underwriting?	No, but relevant experience should be demonstrated.

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Regulation Section	Question	Answer
General	is an affordable housing development on a site in Unincorporated Los Angeles of South LA able to acquire funding from the Homes for LA: 2025 Affordable Housing NOFA Program?	No.
General	Can you please clarify whether projects located in Pasadena and Santa Clarita are eligible to apply for the Homes for LA NOFA?	LAHD only awards to projects in the City of Los Angeles
N/A	Will LAHD allow master leasing between the owner/developer and a service provider?	No.
Scoring		
Scoring	Will partial points be assigned for Feasibility, Cost Effectiveness, and/or Site Efficiency? For example, if half of the Feasibility points (10 points) are awarded for strong cash flow, will a project receive either 0 or 10 points for this criterion or is it a sliding scale? If the latter, how will LAHD determine the points the project receives?	<p>The Feasibility definition explicitly discusses partial points (e.g., “LAHD will deduct from the max score” and “LAHD may use a relative standard to calculate this portion), and LAHD will make use of Project and Sponsor Underwriting criteria to award partial points. For the Cost Effectiveness definition, the first half of the scoring (TDC per rentable square foot relative to other applicants) is partial points. LAHD is not yet ready to provide guidance on the second half of the Cost Effectiveness points (requesting less than maximum possible loan)</p> <p>The Site Efficiency criterion will not be assigned by partial points.</p>
Term Sheets		
ULA Acquisition and Rehabilitation: Preserving Affordability Term Sheet	For Preservation Program projects looking to qualify on the basis of expiring covenants, can a project be eligible if it is currently uncovenanted?	No.

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Regulation Section	Question	Answer
ULA Alternative Models: New Construction Term Sheet	ULA Alt Models / New Construction Is LAHD exploring ways to bifurcate its regulatory covenants so that the senior reg agreement includes the least restrictive covenants, and a second reg agreement includes more restrictive covenants needed for competitiveness under this NOFA?	LAHD is only requiring that the ULA affordability covenants take the senior lien position. Most other ULA requirements can be subordinated to the rights of other lenders.
ULA Operating Assistance Term Sheet	Can the ULA operating assistance be used for projects without existing LAHD funding, but that receive a commitment under this NOFA for New Construction or Preservation?	No.
Technical Requests		
Technical Request	Hello, I have attempted multiple times to upload the Phase I report. For some reason, the portal is not saving the document. Is it due to the size of the file? I have not had issues with uploading the other documents.	We have increased the file upload size in production from 50 MB to 100 MB. Thank you.