



The Los Angeles Housing Department (LAHD) is posting the following Questions & Answers (Q&A – Part 2) regarding the 2025 Homes for LA Notice of Funding Availability (NOFA). Additional information can be found online at <https://housing.lacity.gov/ula/homes-for-la-nofa>.

2025 Homes for LA Notice of Funding Availability Q&A Part 2 (9/5/2025)

Q#	Reg Sec	Question	Answer
General			
32	General	Is the lahd.H4LANOFA@lacity.org email live right now?	Yes.
33	General	Can I please have a copy of the recording from the Bidder conference on August 27? I am from the Los Angeles Tenant Union and was on the call.	See Homes for LA NOFA webpage. You will see a link to the Bidder's Conference under "Application Support."
34	unofa.org website	A while back we changed our company name from [previous name] to [new name]. We also changed our emails, so would you please update our company name and also change my email?	For security purposes, each organization's Admin will update their own members & contact information. In the upper right corner, you will see a FAQ link. Click it, and you will see how to register & manage your organization. There is a pdf of the UNOFA Registration Manual. You will see how to update your organization. There is also a short video "Registration Part 3 - Organization Admin Functions" demonstrating such changes.
Term Sheets			
35	Table 1 Summary of Term Sheets	Do you have a definition for "Preservation?" There's a project that does not have an Expiring Use Covenant, but needs rehab to extend the useful life of the building qualify as a Preservation project?	Only one of the three Preservation programs requires applicants to demonstrate expiring covenants. We already defined throughout the NOFA regulations that preservation projects can include projects with capital needs even if they do not have expiring covenants.
36	Table 1 Summary of Term Sheets	I have a question regarding the operating assistance program. Would a project that is not in the LAHD portfolio be eligible to apply for operating assistance? The project has an existing regulatory agreement from LACDA and the project is located in the City of Los Angeles' Skid Row area.	Per Table 1 Project Types, a project applying for Operating Assistance must already be in the LAHD loan portfolio.

Q#	Reg Sec	Question	Answer
37	ULA Alternative Models: New Construction	Can a merchant builder project currently under construction be acquired and considered as a new construction project?	LAHD welcomes innovative ideas and approaches to developing and funding new affordable housing. However, LAHD is not able to disburse HOME funds (which are used in the Pooled Sources programs) to projects not constructed to comply with Buy American Build American (BABA) requirements. Similarly, LAHD is not able to disburse ULA capital funds to projects over 40 units that are not constructed under a Project Labor Agreement (PLA). Finally, merchant builder projects that do not comply with the Department-wide Accessible Housing Program (AcHP) requirements will also not be eligible for City subsidy.
Timeline			
38	Timeline	I was hoping to inquire about when LAHD will be publishing the application materials for the Homes for LA NOFA.	The NOFA will be open on the 5th and that's when all the application materials will be available.
39	Timeline	Good morning ULA team, following up after the Bidders conference call. With the application being open for 45 days, opening on September 5th and deadline for October 20th. Is there any advantage on submitting the application early?	No, there is no advantage to submitting early.
40	Timeline	I assume all applications are evaluated after Oct 20, but I wanted to confirm that it's not a rolling app and that projects could be awarded as they come in, correct? On a side note, the Pooled Sources multifamily term sheet on the website links to the preservation term sheet.	This is not a rolling application in that projects are awarded as they come in. Certainly, LAHD will begin reviewing applications that are submitted prior to the October 20th application deadline, but no decisions about funding awards will be made until all applications are received. More detail about sponsor capacity and experience will be publicized when the Department finalizes its underwriting guidelines on Sept. 5.
41	Timeline	When will award announcements be made? I see that final scores and funding transmittals will be released to the Mayor's office on 12/15. I assume awards will be made to enable 1st Round TCAC/CDLAC apps next year?	LAHD will do its best to make awards toward the beginning of calendar year 2026. We have met all our timeline goals thus far, but this is the first time we are opening seven solicitations at once. Moreover, Council has to approve our recommendations before we make official awards. LAHD's goal is to transmit our award recommendations to the Council before it goes into recess in mid-December.

Q#	Reg Sec	Question	Answer
Section 2: Loan Terms and Requirements			
42	2.2 2.3 and 6.5	We would like to submit the following clarifying questions regarding the Homes for LA NOFA: Section 2.1 and 2.2 - Are we allowed to assume the 1% interest rate and deferred construction interest in our application or are those terms that would be negotiated at closing if necessary?	Applicants must submit an application that demonstrates financial feasibility with a 3% interest rate on LAHD soft loans and with construction interest paid at conversion.
43	2.9	What rent schedules do each program rely on?	All programs in this NOFA will use HUD and/or TCAC rent schedules, and the covenants created as part of this round's funding will use those schedules. If there is already an existing covenant that refers to a more deeply affordable rent schedule, then that more restrictive rent schedule will apply. However, LAHD will be layering on a new covenant rather than extending the old one. Thus, if and when the old covenant expires, only the new covenant will take precedent.
44	2.12 5 Doc 16 & 17 7 Doc 14	Does every PSH unit have to be covered by an Operating Rental Subsidy? If so, does LAHD count a project funded COSR as an operating subsidy?	Yes. All PSH projects must have some form of rental subsidy. This is in the NOFA regulations. If the project is able to show a firm commitment from another funder to provide a long-term COSR, LAHD will consider the project. However, LAHD will not be capitalizing operating reserves in any of our 6 capital programs in this NOFA, and if external funder's COSR is unable to maintain the project at positive cash flow through Year 15, then LAHD will not consider the project to pass underwriting.
45	2.13	Regarding the Replacement Housing Determination requirement for sites with existing tenants, is it enough that we have applied for determination at the time of application, or must we have received the final determination prior?	Ideally, a Replacement Unit Determination (RUD) needs to be completed required prior to submission of the application. A filing is not sufficient. That being said, it takes LAHD approximately takes 30-45 days to complete a RUD. If your project filed a completed RUD form with LAHD at least 30 days prior to the application deadline (October 20, 2025), but LAHD has not processed a determination by the final date to submit your application, we will consider your application complete as long as you can demonstrate timely filing.

Q#	Reg Sec	Question	Answer
Section 3: LAHD Policies and Procedures			
46	3.12 5 Doc 16 6.1	We heard that the City will not be managing the Multi-year Managed pipeline. Can you speak more to the process going forward? Can you explain if the 4% projects will also be assigned a Round to apply?	LAHD is no longer assigning projects to a tax credit round. If you get a commitment and would like to apply to the next available round, you are welcome to do that. If we have provided you a commitment of financing, we are happy to provide you with a letter of support. The Award period is strictly 1 year with up to a 1-year extension. It's on our developers to make their projects as competitive as possible at CTCAC.
Section 5: Threshold Requirements, Documents, and Definitions			
47	5 Doc 1	Should developers use the same hard cost contingency assumptions?	The hard cost contingency requirement is 10% for new construction and 15% for rehabilitation projects. Both of these requirements can be found in the NOFA regulations.
48	5 Docs 2, 3, 4	Can an applicant apply for operating assistance on a property it owns, and a second property that is a tax credit property in which the applicant is the general partner of the limited partner owner of the second project?" Both projects have existing LAHD funding.	Yes you can apply.
49	5 Doc 4	I see that 3 years of audits are required, which would preclude new organizations from applying. Is there a way around this?	LAHD will accept applications from new organizations without 3 years of audited financial statements. However, LAHD's sponsor underwriting will consider the new organization to be higher risk because of its lack of a clear financial track record.
50	5 Doc 4	For new construction projects, newer developers will not have 3 years of audits. Is there a way around this, or are newer developers ineligible?	Please see 5 Doc 4, answered above in Q49.
51	5 Doc 4 and 7	If a Community Land Trust is a part of the ownership entity as a special limited partner, does that automatically satisfy the priority requirement for ULA funding?	This is also answered in Q52 below. LAHD is still learning about and adjusting to our partnerships with Community Land Trusts. For now, we will need to ensure that the structure of the organization complies with Measure ULA and the ULA program guidelines. From a cursory look, the answer is yes, but we would need to make sure that whatever structure is being proposed is compliant with the measure.

Q#	Reg Sec	Question	Answer
52	5 Doc 4 and 7	<p>The question I asked was misunderstood, and I have a few others.</p> <p>In my questions that they read, I was referring to the sponsor requirements for new construction projects: “Project sponsor must submit Audited Financial Statements (AFSs) with lookback period of three (3) years, and a Real Estate Owned (REO) Schedule;”. This would preclude newer organizations like ours from applying. Is there a workaround for this?</p>	See 51 above.
53	5 Docs 4, 20 7.1, 7.20, 9.2	<p>If an entity does not have a demonstrated history of affordable development, will you take the experience of its executives? If so, what are the specific requirements? If not, and the organization partners with an entity with experience, what are the experience requirements for the partner?</p>	We will provide more guidance in the underwriting guidelines, which will be posted on Sept. 5.
54	5 Doc 18	<p>Do the capital needs assessments need to match the rehab scope exactly for the rehab preservation-related applications? Are there other ways to show the rehab scope that just PNA?</p>	The two have to match. If you have a PNA and you have rehab scope, the rehab scope should be addressing the items in the PNA. If they're not, there should at least be an explanation for why not.
55	5 Doc 20 7.4	<p>In Homes for LA, Section 7: Scoring of Applications states that “first priority [is given] to applications with Community Land Trusts (CLTs) and/or Special Purpose Entities (SPEs) with CLT participation in the project’s ownership.”</p> <p>Our understanding is that the inclusion of a CLT is intended to ensure perpetual affordability. As an alternative, we are considering a structure in which the land is sold to HACLA or one of its affiliates, and then leased back to us through a 99-year ground lease. In this scenario, HACLA would serve a similar role to a CLT, as the land and project would be perpetually held for affordable housing under the Housing Authority’s stewardship.</p> <p>Could you please confirm whether an application structured with HACLA-owned land and a 99-year ground lease would receive the same first-priority consideration as one involving a CLT?</p>	<p>The ULA measure defines a CLT by reference to the Los Angeles Administrative Code Section 22.618.2. Furthermore, CLTs have been defined as 501(c)(3) tax-exempt organizations whose Articles of Incorporation show that: (i) that the creation and maintenance of permanently affordable single-family or multifamily residences is the primary purpose of the organization; (ii) that all dwellings and units located on the land owned by the CLT shall be sold to a qualified owner to be occupied as the primary residence, or rented to Lower Income Households or Moderate Income Households, or held by the CLT for the same purpose; and (iii) that when a dwelling or unit that is on land owned by the CLT is sold to a qualified owner, the land is leased by the CLT to the income-qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years.</p> <p>If you anticipate that your organizational structure will have trouble meeting the definition described above, you may need to seek an opinion from your legal counsel, and LAHD will entertain any legal opinions that you wish to share with us.</p>

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Section 6: Application Process			
56	6.1	<p>I was wondering if you can further clarify a previous Q&A response. #6 Reg Sec: Refer to the Alternative Models Preservation term sheet Q: NOFA says that Alt Models-Preserv. cannot be used for Acquisition, BUT the termsheet says it can be. The NOFA does not explicitly state the “eligible uses” for the programs, so which rule here prevails? A: Acquisition is an allowable use under the Alternative Models Preservation program. LAHD will correct the term sheet.</p> <p>However, in yesterday’s [Bidder’s Conference] presentation, in the Preservation Program summary chart, the Alt Models Preservation program’s Eligible Project Types was “non-acquisition recapitalizations.” But Acquisition costs are eligible uses in the term sheet. This seems conflicting to me. Can you please clarify if Acquisition is an Eligible Use in this program area?</p>	<p>Acquisition costs are an eligible use of the ULA Alternative Models Preservation funds. However, LAHD is proposing to fund up to 100% of Total Development Costs (TDC) under this program, and does not consider acquisitions to be a good use of these funds, as acquisitions would add significant costs to any project. LAHD is asking developers to apply to this program with little to no acquisition activities, and believes that projects with expensive acquisitions will lose out on funding awards to projects that have \$0 acquisition costs. Please also see Q&A Set 1 Question #6.</p>
Section 7: Scoring of Applications			
57	7	<p>Section 7 reads, “Both the ULA Alternative Models New Construction and ULA Alternative Models Preservation Programs provide first priority to applications with Community Land Trusts (CLTs) and/or Special Purpose Entities (SPE) with CLT participation in the project’s ownership”. If a Community Land Trust is part of the SPE as a Special Limited Partner, does that automatically satisfy the first priority requirement for ULA funding? What other “participation” is required, if any, from the CLT?</p>	<p>The CLT has to have an ownership stake in the SPE. If the Special Limited Partner is a beneficial owner in the SPE, and the SPE or its development team demonstrate experience with tenant governance, then this will satisfy the requirement.</p>
58	7.16	<p>Can the ULA Acq/Rehab/Preservation program also be used for projects where the covenant has already expired?</p>	<p>Yes.</p>

Q#	Reg Sec	Question	Answer
Section 9: Construction Standards			
59	9.2, 9.3, 9.7	Preservation/Rehabilitation Question – Often times the findings and costs in the PNA are not inclusive of all costs. For example, costs in PNAs are often lower than the actual cost and because they don't include PLA/prevaling wage rates or don't know the full scope of what it will take to do the work. Additionally, PNAs oftentimes don't include the cost of work to perform accessibility upgrades/requirements. If we get a cost estimate from a CM or GC that is higher than what is listed in the PNA, what information do you need from us? A narrative explanation of why the costs are different?	Yes, a narrative explanation would be acceptable.
60	9.8	Section 9.8 – Our project will have 21 CoC vouchers. Can we utilize HACLA utility allowances for the project instead of CUAC?	No, those are HUD Vouchers and need to be treated as such.