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AFFORDABLE HOUSING BOND PROGRAM
INDUCEMENT / TAX EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) CHECKLIST

(The following items are due to the Los Angeles Housing Department (LAHD) at least **60 days** prior to the California Debt Limit Allocation Committee (CDLAC) bond application due date)

STEP 1 – Inducement

Project summary, including the following (or CDLAC application pages Part I-VI):

- Tax-exempt bond amount needed (requested amount)
- Project name and complete address(es)
- Project narrative to cover:
  - construction type, target population (seniors, families, etc), total number of housing units, rental subsidy (if any), rent schedule (showing units, types, and Area Median Income (AMI) levels), project amenities such as community room, parking, laundry, etc.
- Financial proforma showing sources and uses of funds, rental income, cash flows, flow-of-funds, etc.
- Evidence of financial commitments such as executed letters of commitments for the identified funding sources, and executed award letters for the identified subsidies (rental and or operating).
- Bond financing structure description

Proposed Ownership's organizational structure

- Proposed ownership organizational chart
- Proposed ownership information
  - Ownership, general partners, developer
  - Principal's names and titles of owner and developer
- LAHD background/credit forms (to be supplied by your LAHD assigned staff person)

Preliminary Title Report (dated within 90 days)

Certified Accessibility Specialist Program (CASp) Requirements

- New Construction deals must provide evidence that CASp review is underway prior to submittal of the bond application to CDLAC.
- Acq/Rehab and recapitalization deals must have a completed CASp review prior to CDLAC submittal, to incorporate any accessibility changes into the General Contractor's scope-of-work and the project's Total Development Cost (TDC).

Relocation Summary with Current Rent Roll

- If no existing units are occupied, please provide a signed statement to such effect
- If any existing units are occupied, relocation plan summary
- NOTE: A relocation plan completed by a 3rd party consultant will be required at time of CDLAC application

Application Processing Fee

- As of 1/17/22
    - $4,447 application fee payable to City of Los Angeles

STEP 2 – TEFRA - Additional items needed after inducement approval

- As of 1/17/22
    - $3,902 TEFRA fee payable to City of Los Angeles
- LAHD will publicize and will conduct the TEFRA hearing

STEP 3 – CDLAC Application

- Owner and or developer should complete the bond application per the CDLAC regulations. Substantially completed applications should be made available to LAHD for review 30 days prior to the CDLAC application due date.

For more information about the LAHD Bond Program, please refer to the LAHD Bond Policies available on the LAHD website.

For more information about the LAHD Bond Program fees, please refer to Ordinance #187307.

** Recapitalization projects will need an additional 30 days, prior to Inducement, to obtain approval of changes to existing LAHD loan terms (separate application required). Please also see Recapitalization Bond Policies (available on the LAHD website) and Exhibit A Items listed below.

For more information, please visit https://housing.lacity.gov/partners/municipal-bond-finance or contact Robert Vergara at (213) 808-8630 or Apolinar Abrajan at (213) 808-8947 or via email to lahd-bonds@lacity.org

EXHIBIT A - LAHD RECAPITALIZATION CHECK LIST

- Project description (must include address, target population, number of units, rental subsidy
- Pro forma (must include sources, uses, rental and other income)
- 30-year cash flow
- Detailed rehabilitation budget
- Terms of proposed financing
- Outstanding balances of existing debt and repayment terms
- Physical Capital Needs Assessment (PCNA)
- Appraisal (before or after execution of purchase and sale agreement)
- Two years of audited financial statements for the project
- Partnership structure / organizational chart, including a summary of the current owner entity and/or outstanding issues
- Proof of limited investor exited partnership
- A summary of the current owner entity and the prospective buyer entity
- CASp Report
- Scope of Work
- Full Set of Plans
- Purchase and Sale Agreement
- Preliminary Title Report
- Relocation Summary/Plan with a current rent roll (completed by 3rd party consultant)
- A break out of the distribution of sales proceeds