



Homes for LA (H4LA) Notice of Funding Availability (NOFA)

Council File 25-0690-S1
Housing Committee

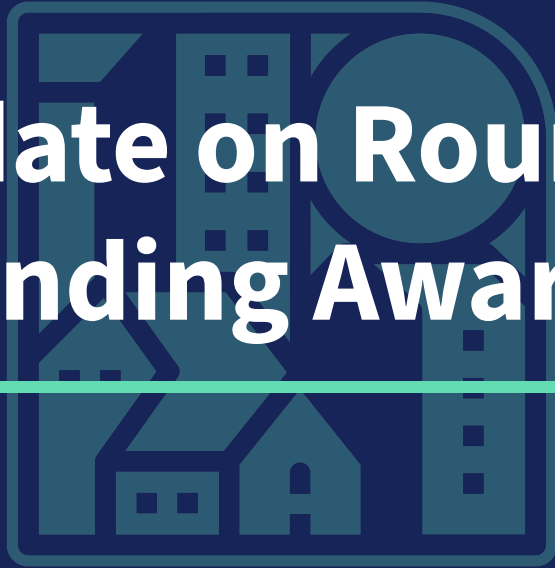


Homes for LA NOFA Framework

- Homes for LA aligns multiple City funding sources with diverse City housing needs under one Notice of Funding Availability (NOFA)
- Each LAHD-administered funding source has different requirements, eligible uses, and ineligible uses
- Various NOFA programs address the City's preservation challenges. Affordable housing projects may have:
 - **Affordability Covenants** (Legal restrictions on rents) that are expiring
 - Deferred maintenance and need funds for repairs or replacement of entire building systems
 - Very low rents that have failed to keep up with escalating costs such as insurance premiums, building security, and staffing
- LAHD proposed multiple NOFA New Construction programs because this provides flexibility for projects to comply with different funding compliance requirements, and also to pursue a financing strategy that can serve as an alternative to the Tax Credit system



Update on Round 1 Funding Awards



Update on Round 1 of the H4LA NOFA

- City Council approved \$360,970,054 to support 5,241 affordable units across 80 projects on April 29, 2026, including
 - 1,528 newly constructed affordable units and
 - 3,713 affordable units preserved and/or stabilized

Update on Round 1 of the H4LA NOFA

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- The Department concurrently issued Award Commitment Letters and began working with the City Attorney's Office to develop loan agreements for each of the programs
- The Department will begin executing loan agreements for 4,129 units across 71 projects from October 2026



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- The Department will begin executing loan agreements for 4,129 units across 71 projects from October 2026
- The remaining 9 projects are awaiting notice from California Debt Limit Allocation Committee (CDLAC), which awards 4% tax credits; and the California Tax Credit Allocation Committee (CTCAC), which awards 9% tax credits before LAHD can begin executing loan agreements

Round 2: Proposed Timeline, Regulations, and Terms



Funding Programs Included in Homes for LA NOFA Round 2

ULA Multifamily

Supports development of affordable housing, maximizing production by leveraging tax credits

ULA Alternative Models: New Construction

Facilitates the development of affordable housing via social housing models that prioritize tenant governance and deep affordability

Pooled Sources: Multifamily

Supports development of affordable housing, maximizing production by leveraging tax credits

ULA Acq/Rehab: Preserving Affordability

Provides capital funding to preserve existing at-risk affordable housing with expiring covenants

ULA Alternative Models: Preservation

Provides capital funding to preserve existing at-risk affordable housing facing loss of affordability due to financial distress

Portfolio Preservation

Provides capital to preserve units through targeted stabilization measures at a lower cost compared to replacing units if the regulatory agreements were lost

ULA Operating Assistance

Stabilizes existing affordable housing by providing emergency operating assistance to properties experiencing short-term economic shocks



Anticipated Available Funding for Homes For LA Round 2 Programs

Program Name	Funding Source	Total Anticipated Available Funds
Pooled Sources: Multifamily	Measure A and Permanent Local Housing Allocation	\$115,462,625.71
ULA Multifamily Affordable Housing	United to House LA	\$123,484,930
ULA Alternative Models: New Construction	United to House LA	\$104,084,806
ULA Alternative Models: Preservation	United to House LA	\$25,434,883
ULA Acquisition & Rehabilitation: Preservation	United to House LA	\$32,684,989
ULA Operating Assistance	United to House LA	\$38,423,441
Portfolio Preservation	Affordable Housing Linkage Fee	\$27,000,000
Total		\$466,575,674.71



H4LA NOFA Round 2 Anticipated Timeline

	2026					2027			
	August	September	October	November	December	January	February	March	April
Briefings for Elected Officials									
Committee Review and Approval of NOFA		★							
Council Review & Approval of NOFA									
ULA Citizen Oversight Committee Presentation									
Bidder's Conference & Notice Period									
NOFA Open									
Scoring & Selection									
Transmittal Preparation									
Council Review and Approval of Awards									

Summary of Key Revisions Based on Feedback

- Collaborated on stakeholder feedback from Round 1 with partners, including Council Offices, to enhance the pool of eligible applicants. Revisions include:
- Loan structure flexibility including:
 - Allowing residual receipt loans as an eligible loan type for preservation programs
 - Issuing funds in the form of a forgivable loan for the operating assistance program
- Removing funds for capital improvements and increasing operational support to \$7,500 per unit over a two-year period for the operating assistance program
- Creating dedicated programs for projects looking to leverage innovative financing
- Developing a new program (Portfolio Preservation) to stabilize entire sponsor portfolios at a larger scale instead of stabilizing on a one-by-one basis extending affordability

New Program - Portfolio Preservation

- Anticipated Available Program Funding: **\$27,000,000**
- Eligible Project Types: **Existing projects within the LAHD Loan Portfolio**
- Ability to Leverage Tax Credits: **Yes**
- Proposed Loan Limit: **Up to \$9,000,000**
- Scoring to prioritize factors identified in Homes For LA NOFA include:
 - Effectiveness of project preservation strategy
 - Commitment of other funding sources

Existing Program - Pooled Sources: Multifamily

- Anticipated Available Program Funding: **\$115,462,625.71**
- Eligible Project Types: **New Construction, or Adaptive Reuse**
- Ability to Leverage Tax Credits: **Yes**
- Proposed Loan Limit: **Up to 30% of Total Development Cost (TDC)**
- Scoring to prioritize factors identified in Homes For LA NOFA include:
 - Competitiveness at California Debt Limit Allocation Committee (CDLAC), which awards 4% tax credits; or at California Tax Credit Allocation Committee (CTCAC), which awards 9% tax credits
 - Consideration for overall development feasibility and cost efficiency



Existing Program - ULA Multifamily Affordable Housing

- Anticipated Available Program Funding: **\$123,484,930**
- Eligible Project Types: **New construction of 40+ units, or Adaptive Reuse**
- Ability to Leverage Tax Credits: **Yes**
- Proposed Loan Limit: **Up to 30% of Total Development Cost (TDC)**
- Scoring to prioritize factors identified in ULA Program Guidelines as well as:
 - Competitiveness at California Debt Limit Allocation Committee (CDLAC), which awards 4% tax credits; or at California Tax Credit Allocation Committee (CTCAC), which awards 9% tax credits
- Consideration for overall development feasibility and cost efficiency

Existing Program - ULA Alternative Models: New Construction

- Anticipated Available Program Funding: **\$104,084,806**
- Eligible Project Types: **New construction of 40+ units, or Adaptive Reuse**
- Ability to Leverage Tax Credits: **No**
- Proposed Loan Limit: **Up to 80% of Total Development Cost (TDC)**
- Scoring to prioritize factors identified in ULA Program Guidelines as well as:
 - Consideration for overall development feasibility and cost efficiency
 - Commitment of other funding sources
- Maintains first scoring priority for projects sponsored by Community Land Trusts (CLTs) and with CLT partnerships



Existing Program - ULA Alternative Models: Preservation

- Anticipated Available Program Funding: **\$25,434,883**
- Eligible Project Types: **Projects within the City of Los Angeles with financial challenges and/or expiring/expired covenants**
- Ability to Leverage Tax Credits: **No**
- Proposed Loan Limit: **Up to 100% of Total Development Cost (TDC)**
- Scoring to prioritize factors identified in ULA Program Guidelines as well as:
 - Consideration for overall development feasibility
- Maintains first scoring priority for projects sponsored by Community Land Trusts (CLTs) and with CLT partnerships

Existing Program - ULA Acquisition & Rehabilitation: Preserving Affordability

- Anticipated Available Program Funding: **\$32,684,989**
- Eligible Project Types: **Projects within the City of Los Angeles with expiring covenants**
- Ability to Leverage Tax Credits: **Yes**
- Proposed Loan Limit: **Up to 30% of Total Development Cost (TDC)**
- Scoring to prioritize factors identified in ULA Program Guidelines as well as:
 - Competitiveness at California Debt Limit Allocation Committee (CDLAC), which awards 4% tax credits; or at California Tax Credit Allocation Committee (CTCAC), which awards 9% tax credits
 - Consideration for overall development feasibility



Existing Program - ULA Operating Assistance

- Anticipated Available Program Funding: **\$38,423,441**
- Eligible Project Types: **Existing projects within the LAHD Loan Portfolio**
- Ability to Leverage Tax Credits: **No**
- Proposed Loan Limits:
 - Up to \$7,500/unit per year (up to a total of \$3,750/unit maximum for two years)
- First scoring priority for 2025-2026 Homes for LA Round 1 NOFA awardees who forfeit their award commitment



Future Engagement with Housing Committee

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A stylized, light blue icon of a cityscape is centered in the background. It features a large circle representing the sun or moon, several rectangular buildings of varying heights, and a house with a chimney. The entire icon is enclosed in a rounded square frame.

Thank You
