



Recommendations for Technical Amendments to ULA Requirements

Council File 26-0088-S2



ULA Ad Hoc Committee
April 29, 2026

ULA Citizen Oversight Committee (COC)

**Housing Development,
Preservation & Finance**

Seats 1-6

Renter Protection & Support

Seats 7-9

Lived Experience & Expertise

Seats 10-13

Youth Seats (Non-Voting)

Seats 14-15



Interim Inspector General (IIG)

Estolano
ADVISORS

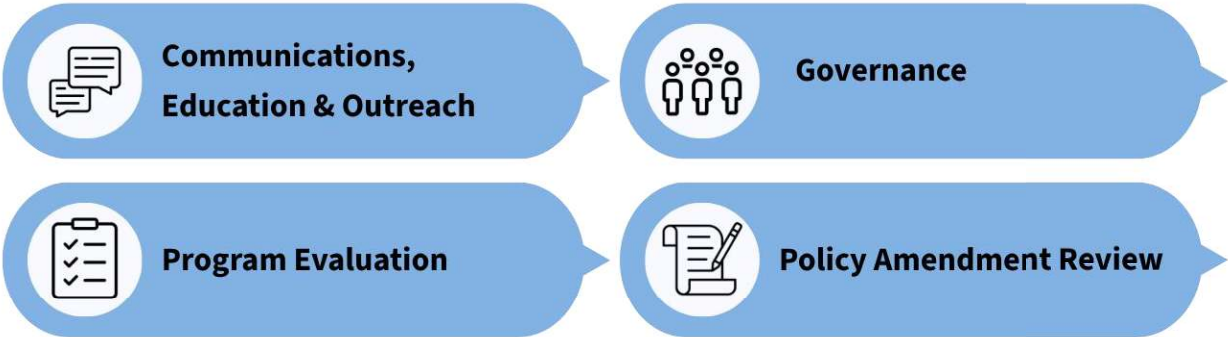


Los Angeles Housing Department

ULA COC 2026 Ad Hoc Committees



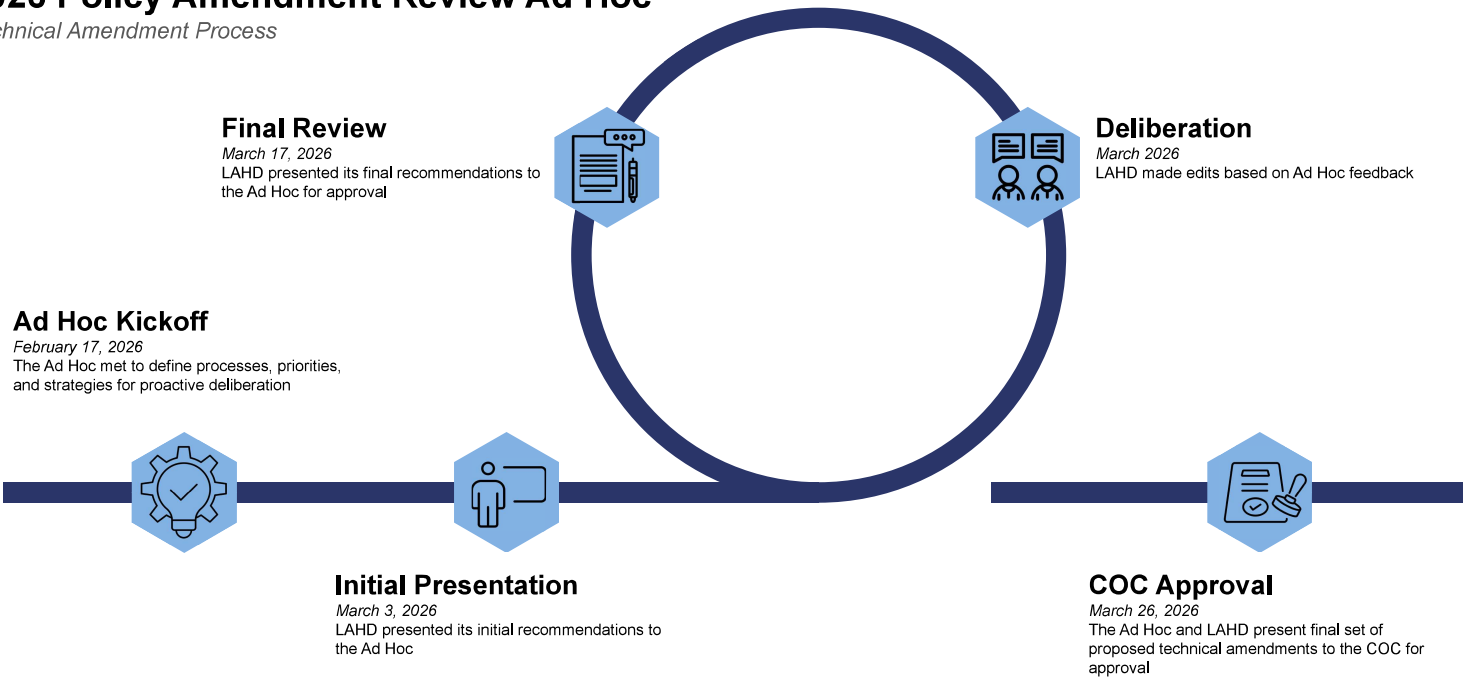
2026 Ad Hoc Committees

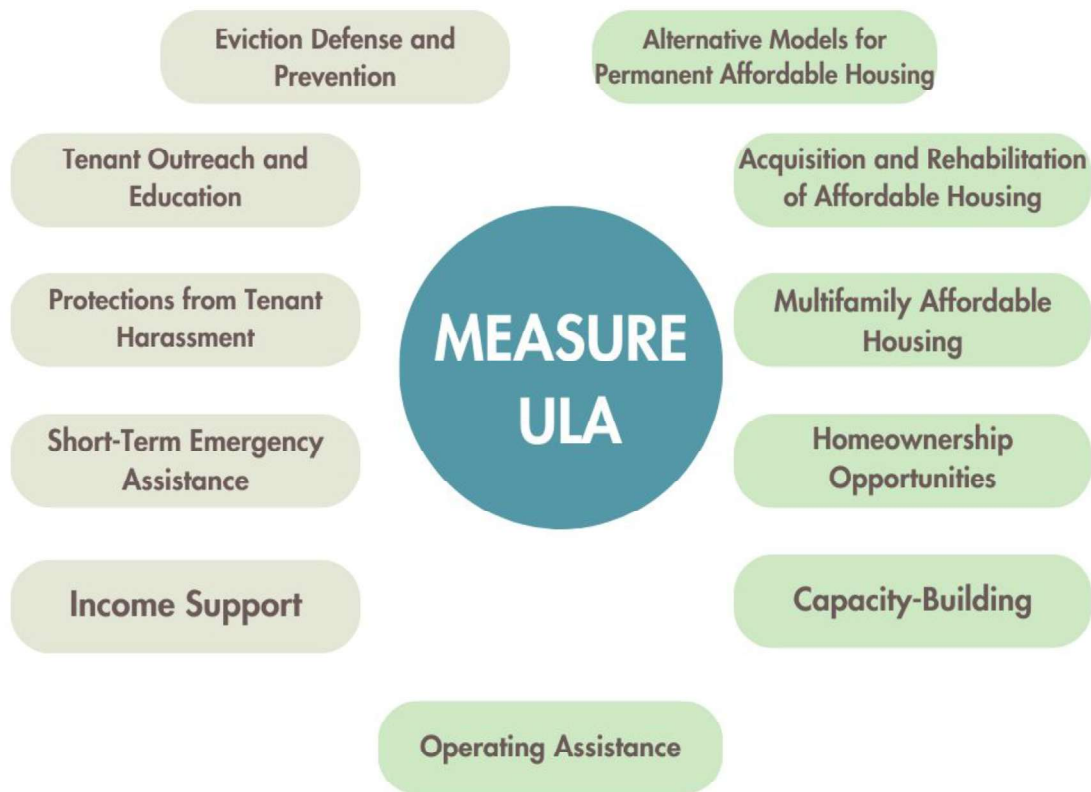


ULA COC Policy Amendment Review Ad Hoc Committee

2026 Policy Amendment Review Ad Hoc

Technical Amendment Process





Background on Technical Amendments

- LAHD identified legal and financial provisions of the ULA measure which limit the Department's ability to effectively administer the Affordable Housing Program funds, and recommends pursuing a narrow set of Technical Amendments that would enable use of these funds
- LAHD, the ULA Coalition, SCANPH, and Affordable Housing Lenders held multiple working group meetings to collaboratively develop proposed Technical Amendments that would address lender constraints while also ensuring that the intent of ULA is upheld
- As requested by the ULA Citizen Oversight Committee (COC), LAHD provided a report on the proposed Technical Amendments to the COC's Policy Amendment Review Ad Hoc Committee and the full COC in March

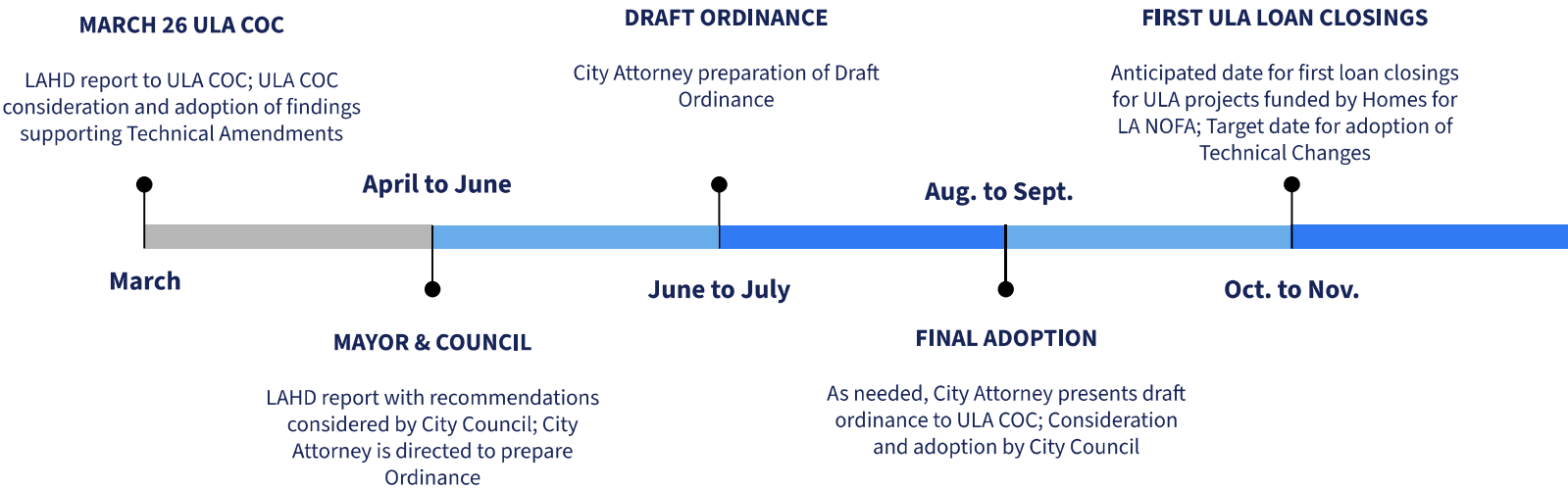


Council Authority to Amend ULA (Admin Code Sec. 22.618.8)

- City Council has the limited authority to amend the ULA ordinance, with the input of the ULA COC, if amendments meet the following limitations:
 - Must further or facilitate the **purposes** stated in ULA and shall not alter the manner in which House LA **funds are allocated and expended**;
 - Shall not **increase** the amount of **tax imposed**; and
 - Shall not diminish the **labor requirements** for any ULA-funded construction.
- The **ULA COC** shall review any proposed amendment to ULA, before the City Council acts, and may express an opinion on whether the amendment furthers the purposes stated in ULA (Admin Code Section 22.618.1) and is consistent with the expenditure categories in Admin Code Section 22.618.3



Proposed Process and Tentative Timeline



Identified Technical Amendments

1. **Exemption for Qualified Affordable Housing Organization** (LA Admin Code Sec. 21.9.14)
2. **Covenant Requirements: Subordination** (LA Admin Code Sec. 22.618.3(d)(1)(i)b.722.618.3(d)(1)(i)b.7)
3. **Covenant Requirements: Resale** (LA Admin Code Sec. 22.618.3(d)(1)(i)b.4)
4. **Covenant Requirements: Loss of Rental Subsidy** (LA Admin Code Sec. 22.618.3(d)(1)(i)b.1, b.2, and b.3)



Exemption for Qualified Affordable Housing Organization - Current

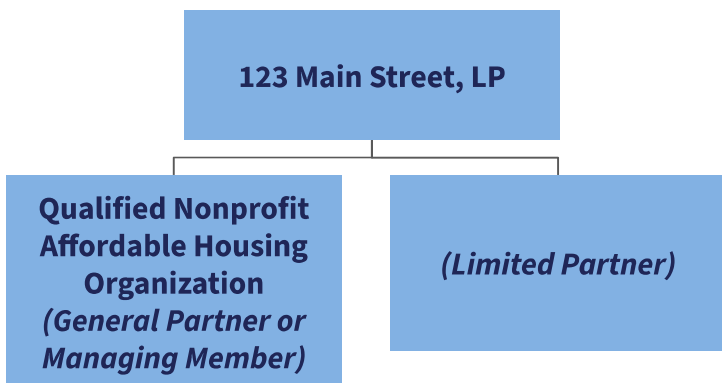
To qualify for the current exemption in LA Admin Code Sec. 21.9.14, the transferee must demonstrate a history of affordable housing development, and must be either:

1. a non-profit entity within Internal Revenue Code Section 501(c)(3);
2. a Community Land Trust, as defined in Admin Code Section 22.618.2;
3. a Limited-Equity Housing Cooperative, as defined by California Civil Code Section 817; or
4. a limited partnership or limited liability company in which only ***bona fide*** nonprofit corporations, Community Land Trusts, and/or Limited-Equity Housing Cooperatives ***are the general partners or managing members.***

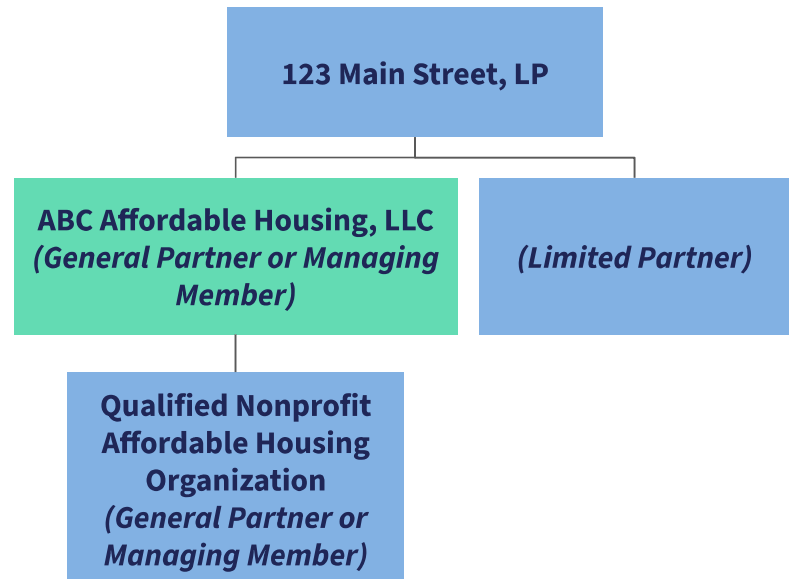


Simplified Examples of Organizational Structures

Eligible under current language:



Not eligible under current language:



Exemption for Qualified Affordable Housing Organization - Proposed

Recommended Technical Amendment:

*Amend Section 21.9.14 to add non-profit, Limited Liability Company, and/or a Limited Partnership whose general partner or managing member is a Limited Liability Company or Limited Partnership **wholly controlled by nonprofit corporation(s)** meeting the affordable housing development qualifications.*



Subordination - Current

Current language requires that the affordability restrictions required by ULA be senior to any lien position under any condition (Admin Code Sec. 22.618.3(d)(1)(i)b.7):

7. The affordability restrictions shall be senior to and not subordinated to any lien, deed of trust or condition or restriction to be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions.



Subordination - Proposed

Recommended Technical Amendment:

Amend Section 22.618.3(d)(1)(i)b.7 to provide necessary flexibility for seniority of affordability restrictions to be determined based on the requirements of other public funders.



Resale - Current

Current language limits the resale of any ULA-funded rental property (Admin Code Section 22.618.3(d)(1)(i)b.4), in order to maintain long-term stewardship of publicly-funded affordable rental housing by mission-driven nonprofit organizations and housing cooperatives:

4. Any resale of rental property funded by this initiative shall be restricted to non-profit entities or Limited- Equity Housing Cooperatives, including but not limited to affordable housing corporations and Community Land Trusts, to ensure the continued use of the dwelling units as affordable housing as provided in this section.



Resale - Proposed

Recommended Technical Amendment:

Amend Section 22.618.3(d)(1)(i)b.4 to clarify that the language is not applicable in cases of transfers by foreclosure, deed-in-lieu of foreclosure, or other similar conveyance.



Loss of Rental Subsidy - Current

Several provisions within ULA restrict the ability for income-restricted units to float up in the rare instance of loss of rental subsidy, including the provisions in Admin Code Section 22.618.3(d)(1)(i)b.1, b.2, and b.3:

- 1. Each housing unit in the project shall be used exclusively as a residence for households at the respective income level.*
- 2. The housing cost or rent for such housing unit shall be no more than an affordable housing cost or affordable rent at the respective level of income.*
- 3. No housing unit may be leased or subleased, except to a household at the level of affordability and for no more than an affordable rent for which the unit was dedicated.*



Loss of Rental Subsidy - Proposed

Recommended Technical Amendment:

Amend Section 22.618.3(d)(1)(i)b to provide, notwithstanding Section 22.618.3(d)(1)(i)b.1, b.2, and b.3, flexibility for the Los Angeles Housing Department and/or other public lenders to permit an adjustment of rents, not to exceed the affordability levels described in Section 22.618.3(d)(1)(i)b, in instances where there is a loss of rental subsidy/rental assistance due to reasons not attributable to the developer, following substantially similar rent float up procedures and policies as provided in existing public lender regulatory agreements.



Summary of Recommendations

REQUEST the City Attorney, in consultation with the Los Angeles Housing Department, to prepare and present an ordinance to effectuate the proposed ULA technical amendments described in the April 2, 2026 LAHD report.



A stylized, dark blue icon of a city skyline is centered in the background. It features several buildings of varying heights and a large circle on the right side, possibly representing a sun or moon. The icon is enclosed in a rounded square frame.

Thank You
