



# ULA Accelerator Plus - Notice of Funding Availability

## Bidders' Conference

November 13, 2023



# Agenda

- Introductions & AGM Remarks (5 mins)
- Program Overview (30 mins)
  - Application Timeline
  - Eligible Applicants & Projects
  - Loan Amounts
  - Application Process & Requirements
  - Selection Process
  - ULA Accelerator Plus Universal Notice of Funding Availability (UNOFA)
- Questions (20 mins)

# Affordable Housing Update

**18,023 \***  
Affordable Homes

**10,400**  
Completed

**4,369**  
Under Construction

**3,254**  
In Design

# Housing Development Bureau

## Asset Management

Ashley Atkinson,  
Director

- Loan Portfolio
- Occupancy Monitoring
- Land Use Covenants
- PHK 2.0

[ashley.atkinson@lacity.org](mailto:ashley.atkinson@lacity.org)

## Development & Finance

Elizabeth Selby,  
Director

- Affordable Housing Managed Pipeline
- HHH
- Bonds
- ULA Accelerator Plus

[elizabeth.selby@lacity.org](mailto:elizabeth.selby@lacity.org)

## Housing Innovation & Strategies

Eric Claros,  
Director

- Land Development Unit
- Homeownership
- USC NOAH
- Caltrans
- LAADUAP

[eric.claros@lacity.org](mailto:eric.claros@lacity.org)

## Technical Services

Craig Arceneaux,  
Director

- Construction Monitoring
- Prevailing Wage/Davis Bacon Compliance
- Relocation Compliance
- Architectural Review
- Environmental Reviews (NEPA)
- Handyworker Program
- Lead Hazard Remediation Program (LHRP)

[craig.arceneaux@lacity.org](mailto:craig.arceneaux@lacity.org)

# ULA Accelerator Plus Team

- **Development & Finance:** Elizabeth Selby, Tim Elliott, Georgina Tamayo, Fernanda Palacios, and Elisabeth Oyakawa
- **ULA Administration:** Edwin Sun, Becky Gross and Hannah Levien
- **Systems:** Greg Kung, Camilly Tokushige , Jeong Yi, Clement Chen, Guru Bhat and Pratik Desai

# ULA Transfer Tax Exemptions

**Tax credit and other affordable housing projects may be subject to the ULA transfer tax.**

Affordable housing projects may qualify for an exemption from the ULA transfer tax if, at the time of transaction, the entity taking title to the property is:

- An experienced nonprofit 501(c)(3), or Community Land Trust (CLT) or Limited Equity Housing Cooperative (LEHC); OR
- An LLC or LP in which only bona fide and experienced nonprofits, CLTs, or LEHCs serve as Managing Members or General Partners; *a shell company controlled by a nonprofit may not serve as a Managing Member or General Partner*

See <https://finance.lacity.gov/faq/measure-ula> for more information, or contact [edwin.sun@lacity.org](mailto:edwin.sun@lacity.org) for technical assistance

# Program Overview



# Program Overview

The purpose of the Accelerator Plus program is to expedite the development of affordable housing. The program will issue a 2023 Notice of Funding Availability for a total of \$56.8 million from the United to House LA (ULA) program to provide **supplemental loans not to exceed \$15 million per project to close financing gaps** for projects that fall into one of the two categories:

1. Category A: Projects that need Accelerator Plus as a sole source of supplemental funds **to start or complete construction** .
    - Description: These projects have secured all expected funding sources, but due to cost or scope changes, **need additional funds to begin or complete construction** .
- OR
1. Category B: Projects that need Accelerator Plus as a sole source of supplemental funds to **apply for LIHTC** financing.
    - Description: These projects have funding commitments from City, County and/or State housing programs but need a single source of supplemental **funds to be ready to apply for an allocation of Low Income Housing Tax Credits (“LIHTCs”)** to complete the funding stack and to begin construction.



# Application Timeline

| Description   | Tentative Dates*  |
|---|-------------------|
| Accelerator Plus Final Regulations Posted/Open Notice of Funding Availability | November 3, 2023  |
| Bidders' Conference   | November 13, 2023 |
| Last Day to Submit Questions  | December 8, 2023  |
| Notice of Funding Availability Applications due by 11:59 p.m.                 | December 15, 2023 |
| List of Applications and Self scores Published                                | December 21, 2023 |
| List of Preliminary Scores Provided   | January 12, 2024  |
| Appeals Process Concluded   | January 29, 2024  |
| Final Scores and <u>Accelerator Plus</u> Award Recommendations Made           | February 15, 2024 |

\*Timeline is subject to change. Any modifications will be posted online.

# Eligible Applicants

# Eligible Applicants

Qualified affordable housing organizations as defined in the ULA Measure, including :

1. Non-profit developers, for -profit developers, or partnerships
2. Joint ventures
3. Limited liability corporations
4. Limited partnerships
5. Projects that have an existing financial award to support multi -family affordable rental housing developments from:
  - City of Los Angeles
  - County of Los Angeles, and/or
  - Department of Housing and Community Development (HCD)

# Eligible Projects

# Eligible Projects : Category A

## Description:

- Projects that need Accelerator Plus as a sole source of supplemental funds to **start or complete construction.**
- These projects have secured all expected funding sources including a funding commitment or loan from LAHD, but due to cost or scope changes, **need additional funds to begin or complete construction.**
- These eligible projects will have **secured commitments of all funding** sources with the exception of Accelerator Plus.

## Loan Amount:

- The maximum loan limit is the lesser of up to **\$100,000/unit** or **\$10 million** per project

# Eligible Projects : Category B

## Description:

- Projects that need Accelerator Plus as a sole source of supplemental funds **to apply for LIHTC financing** .
- These projects have funding commitments from City, County and/or State housing funding programs but need a single source of supplemental funds **to be ready to apply for an allocation of Low Income Housing Tax Credits (“LIHTCs”)** to complete the funding stack and to begin construction.
- These Eligible Projects will have **secured all funding sources** with the exception of LIHTCs and Accelerator Plus.

## Loan Amount:

- The maximum loan limit is the lesser of up to **\$140,000/unit** or **\$15 million per project** .



# Eligible Projects : Category A & B

All projects must meet the below criteria :

- Currently in the **Affordable Housing Managed Pipeline (AHMP)** and/or have an **existing loan** commitment such as:
  - HHH
  - Affordable Housing and Sustainable Communities (AHSC)
  - Tax-exempt loan, or
  - Loan commitment from the County or Department of HCD
- Include **40 or more affordable units**
- Meet City of Los Angeles Department of Public Works Master **Project Labor Agreement** (PLA) requirements
- Meet the **affordability thresholds** of the ULA Measure and other relevant requirements

# Loan Amounts

# Loan Amounts

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**Total Program Funding:** \$56.8M

## **Funding Limits:**

Per Project: Not to exceed \$15M

### Category A:

Projects that need Accelerator Plus funding to start, continue, or complete construction

Max Unit Limit: Up to \$100,000/unit  
Max Loan Limit: Up to \$10 Million

### Category B:

Projects that need Accelerator Plus funding to apply to LIHTC financing

Max Unit Limit: Up to \$140,000/unit  
Max Loan Limit: Up to \$15 Million

### **Loan Type:**

Construction (including reimbursement of acquisition & predevelopment costs), and permanent financing

### **Loan Term:**

57 years (i.e. 24-month construction period plus 55 -year loan period)

### **Interest Rate:**

3% for all loans, simple interest. (LAHD reserves the right to determine a lower interest rate of no less than 1% if found to be necessary for project feasibility.)

# Application Process & Requirements

# Application Process and Requirements

## General Rules

1. Only **one application per project** , containing one financing structure only, will be accepted by LAHD.
2. All applications **must be submitted to the UNOFA** portal by the required date.
3. **Incomplete applications** will not be considered for funding.
4. Staff will begin reviewing and underwriting proposals upon **receipt of a complete application** .
5. Applicants will be subject to a **background check** , unless a satisfactory background check has been completed within a year of application.
6. All information and support documents relevant to the proposed project must be submitted with the application. The completion of **all applicable sections of the LAHD -supplied application is required** .

## Application Submittal and Review

1. Notice of Funding Availability applicants **must use the online application** and forms provided or approved by LAHD. Application forms must not be modified. Applications must be submitted on time. Late and/or incomplete applications will not be accepted.
2. Applications **received after the deadline will not be accepted** . Applications submitted through hard copies, facsimiles or email will not be accepted.

# Threshold Requirements: Category A

| Threshold Item  | Required Documents  |
|---|---|
| Project must demonstrate Financial Feasibility            | Completed UNOFA Application and Financial Pro Forma (Exhibit A, Attachment 1)   |
| Project must demonstrate need for Emergency Gap Financing | Variance Analysis (Exhibit A, Attachment 2) flagging major changes in Sources and Uses; Must compare pro forma at the time of Accelerator Plus application to the pro forma used at the later of: (1) the most recent City Council approval of funding; (2) construction loan closing; or (3) the time of CTCAC or CDLAC application. |
| Project must comply with Project Labor Agreement          | Project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement (Exhibit A, Attachment 3)  |
| Project must provide at least 40 affordable units         | Pro forma or entitlement application or building permit application (Exhibit A, Attachment 7)   |
| Project must have committed soft sources                  | Enforceable Commitment Letters from Funding Sources (Exhibit A, Attachment 6); Project must also disclose amounts and source of any and all other funding applications under review   |



# Threshold Requirements: Category A (cont.)

| Threshold Item   | Required Documents   |
|--|--|
| Project has obtained all Entitlements                          | Evidence of Entitlement Approvals (Exhibit A, Attachment 5)  |
| Projects must be “shovel-ready” and able to start construction | Building Permits or “Ready to Issue” Letter from Los Angeles Department of Building and Safety, or Evidence of Plan Check Submittal as an Executive Directive 1 project (Exhibit A, Attachment 9)                |
| Project must have Site Control and Clean Title                 | For projects not already under construction, submit Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8) |
| Project must comply with Accessibility Standards               | Self-Certification Form for Compliance to Accessibility Standards (Exhibit A, Attachment 10)   |
| Projects requiring Operating Subsidy must have Vouchers        | Evidence of Project-Based Vouchers (PBVs) (Exhibit A, Attachment 11)   |
| Project must comply with Relocation/Displacement Policies      | Leasing Preference Policy and Proof of Noticing for Relocated/Displaced Tenants (Exhibit A, Attachment 12)   |

# Threshold Requirements: Category B

| Threshold Item  | Required Documents  |
|---|---|
| Project must demonstrate Financial Feasibility  | Completed UNOFA Application and Financial Pro Forma (Exhibit A, Attachment 1)   |
| Category B projects holding any form of existing City loan commitment must report major changes in Sources and Uses; Category B projects without existing City loan commitment do not face this threshold requirement | Variance Analysis (Exhibit A, Attachment 2) flagging major changes in Sources and Uses; Must compare pro forma at the time of Accelerator Plus application to the pro forma used at the later of: (1) the most recent City Council approval of funding; (2) construction loan closing; or (3) the time of CTCAC or CDLAC application. |
| Category B projects must apply for LIHTC  | Projected self-score and tiebreaker for CTCAC application or CDLAC application (Exhibit A, Attachment 4)  |
| Project must comply with Project Labor Agreement  | Project sponsor must submit Letter of Assent attesting that it will comply with all the terms and conditions of the Board of Public Works Master Project Labor Agreement (Exhibit A, Attachment 3)  |
| Project must have committed soft sources  | Enforceable Commitment Letters from Funding Sources (Exhibit A, Attachment 6); Project must also disclose amounts and source of any and all other funding applications under review   |

# Threshold Requirements: Category B (cont.)

| Threshold Item  | Required Documents  |
|---|---|
| Project Sponsor must demonstrate experience developing affordable housing | Based on AHMP Guidelines 5.2.1, Project Sponsor must attain a minimum score of 8 points to be considered to have met this threshold requirement. This item must be accompanied by a Schedule of Past Projects. (Exhibit A, Attachment 13) |
| Project must provide at least 40 affordable units                         | Pro forma or building permit or entitlement applications (Exhibit A, Attachment 7)  |
| Project must be able to start construction within 180 days of LIHTC Award | Evidence of Entitlement Approvals (Exhibit A, Attachment 5)   |
| Project must have Site Control and Clean Title                            | Fully Executed Purchase and Sale Agreement (PSA), Development and Disposition Agreement (DDA), etc.; and, Preliminary Title Report (Exhibit A, Attachment 8)  |
| Project must comply with Accessibility Standards                          | Self-Certification Form for Compliance to Accessibility Standards (Exhibit A, Attachment 10)  |
| Projects requiring Operating Subsidy must have Vouchers                   | Evidence of Project-Based Vouchers (PBVs) (Exhibit A, Attachment 11)  |
| Project must comply with Relocation/Displacement Policies                 | Leasing Preference Policy and Proof of Noticing for Relocated/Displaced Tenants (Exhibit A, Attachment 12)  |

# Selection Process

# Scoring Rubric - Category A

Applications in Category A that pass the threshold requirements will be evaluated and scored according to the following criteria:

**1**

Ranked by dollar amount requested per Accelerator Plus covenanted unit

**2**

Projects will be approved for funding in order from lowest per unit to highest, not to exceed program limits

\*This is the only criterion for Category A so there is no scoring matrix. All Category A projects that meet threshold criteria and project feasibility and underwriting review shall be approved for funding before Category B projects are approved.

# Scoring Rubric - Category B

Each application will be evaluated and scored according to the following criteria

| Category B: Projects That lack a LIHTC Commitment                           |            |  |
|---|------------|--|
| Criteria  | Max Points | Scoring  |
| <b>Readiness</b>  |            |  |
| Entitlements for project are complete, or project can be developed by-right | 50         | Evidenced by completed entitlements or a zoning verification letter  |
| Building Permit is ready to be issued                                       | 50         | Evidenced by copy of Ready to Issue building permit  |
| <b>Financing</b>  |            |  |
| Maximum Score for TCAC or CDLAC, as applicable                              | 50         | Evidenced by the California Tax Credit Allocation Committee or California Debt Limit Allocation Committee self-score for the last round. |
| <b>Total Score</b>  | <b>150</b> |  |

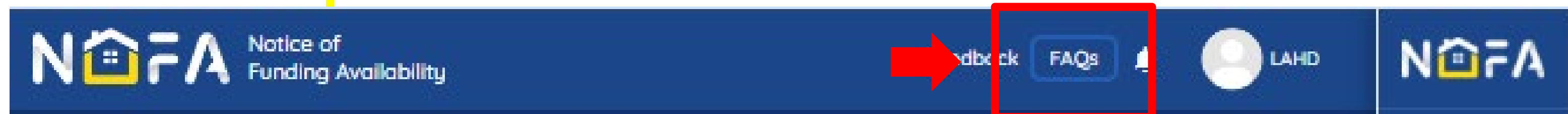
**TIEBREAKER:** In the event of a tie within Category B scoring, the tiebreaker will be based on the TCAC tiebreaker.



# Universal Notice of Funding Availability (UNOFA)

# Universal Notice of Funding Availability (UNOFA)

- Application Website: [www.unofa.org](http://www.unofa.org)
- Tutorials:
  - Click on the FAQ (Frequently Asked Questions) on the upper right corner of the UNOFA site
  - Helpful resources:
    - How to Register Organizations
    - How to Apply for NOFA Rounds
    - Manuals and Short Training Videos



# Questions

To ask a question or to make a comment during the meeting, please click the “Raise your hand” button in Zoom.

Written questions may also be submitted to: [lahd-nofa@lacity.org](mailto:lahd-nofa@lacity.org)  
Deadline to submit is [December 8, 2023 @ 5:00 pm.](#)

Responses to questions will be posted online.