

Housing Development Bureau

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housing.lacity.org

Karen Bass, Mayor  
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**AFFORDABLE HOUSING BOND PROGRAM  
INDUCEMENT / TAX EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) CHECKLIST**

(Complete at least **60 days** prior to the CDLAC Deadline)\*\*

**STEP 1 – Inducement**

**Project Summary, including (or California Debt Limit Allocation Committee (CDLAC) application pages Part I-VI):**

- Tax-exempt bond amount needed (requesting)
- 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
- For 501(c)(3), an IRS 501(c)(3) Determination Letter providing housing as a stated purpose of the organization.

**Proposed Sponsor/Organizational structure**

- Proposed Ownership Organizational chart (form)
- Proposed Ownership information
  - Sponsor, General Partners, Developer
  - Principal's names and titles of Sponsor and Developer
- Los Angeles Housing Department (LAHD) Properties & Loans List (form)

**Preliminary Title Report**

**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 03/09/22:
  - The City Application Fee is **\$4,447**
  - Check should be made payable to City of Los Angeles
  - For more information, see [Ordinance #187307](#).
- Once the information has been reviewed and compliance with LAHD programs by Applicant / Sponsor entities has been verified, the following will be provided:
- Bond Closing requirements letter - to be acknowledged by Sponsor

## **STEP 2 – TEFRA - Additional items needed after inducement approval**

- As of 03/09/22:
  - The TEFRA Publication Fee is **\$3,902**
  - Check should be made payable to City of Los Angeles
  - For more information, see [Ordinance #187307](#).
- Determine CDLAC targeted application date and update any of the above items
- TEFRA hearing date to be set and published. Hearing will be conducted at LAHD's offices via teleconference.

## **STEP 3 – CDLAC Application**

- Sponsors/Developers should complete the CDLAC application per the state regulations. Substantially complete applications should be delivered to LAHD for review 30 days prior to the CDLAC application deadline.
- Please refer to the LAHD Bond Policies.

\*\* 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 and Exhibit A, attached.

For more information, please visit <https://housing.lacity.org/partners/municipal-bond-finance> or contact Georgina Tamayo (213) 808-8587 or Apolinar Abrajan at (213) 808-8947 or via email <mailto: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