

[DRAFT FOR IRC REVIEW—NOFA NOT YET RELEASED]

# **Los Angeles County Affordable Housing Solutions Agency**

## **Notice of Funding Availability #1**

### **Affordable Housing Production and Preservation**

December 9, 2025 [DRAFT DATE]

#### **NOFA Responses Due By:**

**5:00 p.m. (Pacific Time) on  
Friday, January 23, 2025**



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## 1. OVERVIEW

### A. Introduction

This Notice of Funding Availability (“NOFA”) represents the first funding opportunity by the Los Angeles County Affordable Housing Solutions Agency (“LACAHSA” or the “Agency”). The funding opportunity embodies the mission, vision, and purpose of the Agency: to propel the production and preservation of affordable housing forward using new strategies and new resources. LACAHSA is not intended to be duplicative of the existing affordable housing finance landscape in Los Angeles County (the “County”); it is intended to be additive and to scale up tools that have been tested at a smaller scale.

What follows in this NOFA is a detailed breakdown of the tools (“Financing Products”) that the Agency intends to make available—and the corresponding opportunity for the affordable housing community to propose creative structures and approaches that utilize these tools to maximal effect. LACAHSA looks forward to the proposals and long-term partnerships that this funding opportunity will inspire.

We invite a diverse range of applicants to submit proposals that represent the range of LACAHSA’s strategies, from community-owned naturally occurring affordable housing preservation, to developer partnerships that create new affordable housing using social-bond proceeds, to mixed-income social housing.

### B. Background

LACAHSA is a newly formed independent regional governmental agency that is charged with increasing the production of affordable housing, preserving existing affordable housing stock, and protecting low-income tenants from eviction and displacement throughout Los Angeles County. LACAHSA was created by the California Legislature in 2022 through the Los Angeles County Regional Housing Act (Senate Bill 679, codified at Cal. Government Code sections 64700 et seq.),<sup>1</sup> which establishes legal requirements for the distribution of LACAHSA’s revenues. In November 2024, the County’s voters passed Measure A, a half-cent sales tax to fund homelessness and homeless prevention programs. Measure A is anticipated to raise approximately \$1.1 billion in annual revenue, and 35.75% of that revenue—estimated to be approximately \$393.25 million—must flow to LACAHSA.

Measure A’s transactions and use tax became effective on April 1, 2025, and LACAHSA has begun to receive monthly tranches of revenue from the tax. A portion of this revenue is dedicated to LACAHSA for the purpose of creating new units of affordable housing or deepening/preserving the affordability of existing housing stock. LACAHSA is looking to quickly invest these revenues for their intended purposes.

SB 679 authorizes LACAHSA to incur debt and enter into agreements in order to carry out its statutory purposes. To this end, LACAHSA is preparing a transaction to utilize tax-exempt (as applicable) debt financing, secured by LACAHSA’s Measure A revenue stream, to accelerate the

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<sup>1</sup> This NOFA refers to the Act as SB 679. These references are intended to be to the codified sections, as amended through subsequent legislation.

availability of immediate funds for investment. LACAHSA anticipates raising over \$200 million dollars to be available to fund exceptionally qualified projects. This NOFA is intended to identify projects to fund through this initial debt offering.

LACAHSA is governed by a 22-member Board of Directors (the “Board”), with 21 voting members. The Board consists of local government representatives and housing industry experts. Under SB 679, the Board must approve LACAHSA’s funding of affordable housing projects. The Board has formed an Investment Review Committee (“IRC”) consisting of six of its members and a member of LACAHSA’s Citizens’ Oversight Committee to establish policies related to housing investments and make recommendations to the Board on projects to fund. The IRC will consider applications under this NOFA and make recommendations to the Board. The final decision to select and fund projects is within the sole and absolute discretion of the Board.

### **C. NOFA Timeline**

The NOFA process will proceed according to the following schedule:

| <b>Event</b>  | <b>Date</b>                  |
|---|------------------------------|
| <b>Draft NOFA published for public review/comment</b>                           | Friday, September 26, 2025   |
| <b>Uniform Application Workbook (Excel) published for public review/comment</b> | Wednesday, October 8, 2025   |
| <b>Workshops/listening sessions on Draft NOFA begin</b>                         | Thursday, October 9, 2025    |
| <b>Workshops/listening sessions on Draft NOFA end</b>                           | Friday, October 17, 2025     |
| <b>Public comment period ends</b>   | Monday, November 3, 2025     |
| <b>IRC approves NOFA</b>  | Friday, December 12, 2025    |
| <b>Final NOFA released</b>  | Tuesday, December 16, 2025   |
| <b>NOFA Q&amp;A period ends</b>   | Wednesday, January 7, 2026   |
| <b>NOFA responses due</b>   | Friday, January 23, 2026     |
| <b>Publish self-scores</b>  | Tuesday, February 3, 2026    |
| <b>Preliminary scoring and rankings released to respondents</b>                 | Wednesday, February 11, 2026 |
| <b>Applicant appeal period begins</b>   |                              |
| <b>Respondent review/comment period ends</b>                                    | Wednesday, February 18, 2026 |
| <b>Agency selection recommendations submitted to IRC</b>                        | Friday, March 27, 2026       |
| <b>IRC meeting to make recommendations to the Board</b>                         | Friday, April 3, 2026        |
| <b>Recommendation objection period begins</b>                                   | Friday, April 3, 2026        |
| <b>No-Contact period begins</b>   |                              |
| <b>Recommendation objection period ends</b>                                     | Thursday, April 9, 2026      |
| <b>Board Approval of final projects</b>   | Wednesday, April 15, 2026    |
| <b>No-Contact period ends</b>   |                              |
| <b>Selected projects notified</b>   | Wednesday, April 22, 2026    |

### **D. Meeting to Select Projects for Next Steps**

The IRC will review and make recommendations to the Board at its meeting on April 3rd, 2026. At a meeting on April 15th, 2026, the Board will select projects for next steps, which may include,

but are not limited to, authorizing staff to issue a letter of intent to fund a project or enter into an exclusive negotiation agreement (that may produce a letter of intent).

## **E. Important Resources**

All projects funded by LACAHSA are subject to the legal requirements of SB 679 and Measure A. LACAHSA cannot grant exceptions to such legal requirements under any circumstances. Applicants should familiarize themselves with SB 679 and Measure A.<sup>2</sup> Even if not explicitly set forth in this NOFA or in an eventual loan agreement, the requirements will nonetheless apply to the use of LACAHSA funds.

The LACAHSA Board has adopted Transitional Program Guidelines (“Program Guidelines”) that contain additional LACAHSA policies and guidance, as well as relevant applications and interpretations of the legal requirements governing LACAHSA funding. The Program Guidelines are available on LACAHSA’s website at <https://lakahsa.gov/agendas-and-documents/>.

The LACAHSA Board has also adopted an Annual Expenditure Plan, which sets forth the eligible uses of LACAHSA’s revenues. The Annual Expenditure Plan is also available on LACAHSA’s website.

## **F. Public Integrity**

As a government agency, LACAHSA’s transactions are strictly subject to state laws related to public integrity and conflicts of interest. Applicants will be held to strict ethical standards. The Levine Act (Government Code section 84308) applies to funding decisions made by the IRC and the Board in relation to this NOFA. As further provided herein, applicants will be required to disclose campaign contributions made to members of LACAHSA’s Board as part of the application process, and such contributions may require those Board members to disqualify from participation. Additionally, the Levine Act will prohibit applicants from making campaign contributions to members of LACAHSA’s Board during the pendency of an application and for one year following the Board’s final decision on funding.

# **2. PROGRAM DESCRIPTION**

## **A. Authorizing Legislation and Regulations**

LACAHSA was created, and its governing regulations were established, pursuant to Senate Bill 679 (SB 679; September 2022) stipulating the addition of Title 6.9 (commencing with Section 64700) to the Government Code. Funding to LACASHA includes funds directed to LACAHSA pursuant to the Los Angeles County, California Measure A, Sales Tax Measure (November 2024).

## **B. LACAHSA’s PPO Program**

<sup>2</sup> SB 679 is codified at Government Code section 64710 through 64832, available here:

[https://leginfo.legislature.ca.gov/faces/codes\\_displayexpandedbranch.xhtml?tocCode=GOV&division=&title=6.9.&part=1.&chapter=&article=&goUp=Y](https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=GOV&division=&title=6.9.&part=1.&chapter=&article=&goUp=Y). Measure A is codified as Ordinance 2024-0062 and is available here:  
[https://file.lacounty.gov/SDSInter/lac/1183984\\_MeasureAOrdinance.pdf](https://file.lacounty.gov/SDSInter/lac/1183984_MeasureAOrdinance.pdf).

Pursuant to SB 679 and Measure A, at least 60% of LACAHSA's revenues must be used for "PPO": the *production* of new affordable housing units, the *preservation* of existing affordable units (or conversion of existing units to affordable units), and programs for affordable home *ownership*. Of this amount, at least 77.25% must go to production or creation of new or affordable housing units, as defined in the PPO guidelines.

Funds under the PPO category are split between LACAHSA and 13 Eligible Jurisdictions,<sup>3</sup> with 70% passing through to the Eligible Jurisdictions and 30% remaining with LACAHSA. A portion of the 30% LACAHSA share will be used to secure debt to accelerate immediately available funds. This NOFA reflects funding available to LACAHSA from this 30% share.

The purpose of the PPO Program is to leverage Measure A revenues to find efficient, sustainable, and innovative ways to increase the affordable housing stock within the County. The Program will look to invest in various projects that may meet one or more of these goals: social housing projects, shovel-ready projects that can quickly add units, projects that serve underserved or vulnerable populations including persons with disabilities, projects that contain supportive services or other services that are likely to keep individuals housed that are at risk of homelessness, innovative projects that provide new or unique approaches to providing affordable housing, and projects that deepen affordability.

For more information on the PPO Program, please see Section 2 of LACAHSA's *FY 2025-26 Expenditure Plan & Agency Strategy* (available [here](#)) as well as the PPO Program Guidelines (available [here](#)).

### C. Available Funds

The LACAHSA Board has approved a budget of \$252,012,600 for PPO uses, including multifamily rental housing and homeownership. This NOFA solely provides funding for multifamily rental housing, in the approximate total amount of \$210,967,600, assuming proceeds of bond issuance (in the absence of bond proceeds, approximately \$51,467,100 would be available). The total amount of funds and the final amounts available for each funded activity will be subject to updated revenue projections, final debt financing terms, and demand demonstrated by the responses to this NOFA. Preliminary funding amounts by activity type are as follows:

| Activity  | Approx. Funds        |
|---|----------------------|
| Multifamily Rental—Large Projects, New Construction (Capital and Subsidies) | \$151,415,000        |
| Multifamily Rental—Small Projects, New Construction (Capital and Subsidies) | \$30,283,100         |
| Multifamily Rental—Large Projects, Flex (Capital and Subsidies)             | \$12,013,300         |
| Multifamily Rental—Small Projects, Flex (Capital and Subsidies)             | \$17,256,200         |
| <b>Total</b>  | <b>\$210,967,600</b> |

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<sup>3</sup> The County of Los Angeles; the Cities of Los Angeles, Long Beach, Glendale and Santa Clarita; and the various regional Councils of Government within the County.

## D. Eligible Applicants

LACAHSA invites both nonprofit and for-profit housing developers (“Sponsors”) to apply for funding under this NOFA. To be eligible for to apply for funding, the legal entity applying for funding under this NOFA (the “Applicant”) must be the entity that will own or otherwise control the proposed project.

Because LACAHSA intends to fund loans primarily using tax-exempt bond proceeds, unless specifically noted in the relevant term sheet for each financing product (each, a “Term Sheet” and included in [EXHIBIT C](#)), the selection process will heavily favor projects owned by nonprofit organizations (i.e., entities compliant with the requirements of Section 501(c)(3) of the U.S. Internal Revenue Code)—or an LLC or LP that is 100% controlled by one or more nonprofit organizations—that (a) have the charitable purpose of “lessening the burdens of government,” (b) have the intention of adding such purpose to the organization’s articles of incorporation in advance of closing, or (c) are otherwise eligible to receive tax-exempt 501(c)(3) bond proceeds for the proposed project by virtue of the organization’s charitable purpose and the project’s proposed affordability mix (an “Eligible Nonprofit”). While, for the purposes of this preference, the project owner must be an Eligible Nonprofit as described above, a for-profit organization may enter into eligible development and/or asset management agreements with the nonprofit, so long as such agreements are structured to maintain the tax-exempt status of the LACAHSA 501(c)(3) bond funding.

In addition to the typical formation documents required of all owners (e.g., articles of incorporation, bylaws), where applicants are required to establish ownership by an Eligible Nonprofit (i.e., to comply with a NOFA requirement or preference), they must also provide the following documentation at the initial application stage:

- IRS 501(c)(3) determination letter;
- Acknowledgement that they will be required to secure an unqualified 501(c)(3) opinion regarding status of the Eligible Nonprofit prior to closing;
- Any history of securing unqualified 501(c)(3) opinions in the recent past (including identity of the opining law firm); and
- Proposed income restrictions with set-asides and terms that are consistent with federal tax law.

In the case of an eligible proposal that contains development and/or asset management agreements between an Eligible Nonprofit and an unrelated non-501(c)(3) entity, LACAHSA will evaluate proposals through a reasonableness framework, prioritizing sustainable development and operations structures. In the case of such a structure, applicants must provide:

- Evidence (such as organizational charts, composition of boards of directors, and the identification of corporate officers) that the Eligible Nonprofit owner and non-501(c)(3) entity are unrelated;
- A draft and/or term sheet for agreements between the Eligible Nonprofit owner and the non-501(c)(3) entity; and

- Disclosure of all development fees, asset management agreements, subordinate debt, or other financial interests between development entities, with a proposed reasonableness justification as appropriate.

Please note that Community Land Trust (“CLT”) projects are encouraged to apply under this NOFA as well as under the separate NOFA specific to CLT and NOAH (i.e., “naturally occurring affordable housing” as such term is defined in [EXHIBIT C](#)) projects that is anticipated to be issued in the first quarter of 2026.

## **E. Eligible Projects**

Projects must be multifamily rental projects, meeting the specific requirements of the respective Financing Product for which the Applicant is applying. Any such project must be located in any incorporated or unincorporated portion of Los Angeles County. As described in the Product Term Sheets, a project’s eligibility for a particular product varies based on a number of factors including:

- Status as a new-construction, acquisition, or acquisition/rehabilitation project
- Presence of existing subsidized affordable housing or NOAH units
- Level of rehabilitation (e.g., Substantial or Light)
- Use of other LACAHSA financing products
- Status as a LIHTC or non-LIHTC project
- Whether or not stabilized
- Depth of affordability
- Type of ownership

Projects Owned by Governments. Projects owned by local, state, or tribal governmental entities are not eligible for LACAHSA financing.

Projects Under Construction. LACAHSA will accept applications from projects currently under construction to the extent a Sponsor can demonstrate a need for LACAHSA financing that has arisen since closing on the project’s construction-phase financing (e.g., cost overruns outside the Sponsor’s control that have created a budget shortfall that jeopardize project viability). However, such projects will be scored pursuant to the applicable product scorecard alongside other projects.

## **F. Eligible Uses**

Eligible uses of LACAHSA funds (the “Eligible Uses”) are set forth on pages 22-47 of LACAHSA’s Annual Expenditure Plan. Among other requirements contained therein, 77.25% of Measure A funding directed to PPO must be directed to new construction. The balance, or 22.75%, may be used for “...any eligible PPO program including construction, preservation, acquisition, rehabilitation, ownership, and rent and operating subsidies.”

Pursuant to SB 679, LACAHSA funds may not be used to fund development of commercial space. Consequently, project sources must demonstrate such costs are allocable to non-LACAHSA permanent funding sources. Notwithstanding the foregoing, for the purposes of determining which costs may be financed by LACAHSA funds, community serving uses and services space

(including early childhood education program space) may be excluded from the definition of “commercial space” on a case-by-case basis at LACAHSA’s discretion.

## **G. Financing Products**

Based on the Eligible Uses and consistent with extensive discussions with the affordable housing development community, LACAHSA has created 9 Financing Products—including 7 loan and grant products and 2 rental and operating subsidy products—for which Applicants may apply. See [EXHIBIT C](#) for definitions of terms not already defined.

### **1. Loan and Grant Products**

| <b>Product</b>  | <b>Purpose &amp; Form of Assistance</b>  | <b>Eligibility &amp; Preferences</b>   | <b>Maximum Amount</b> |
|---|--|--|-----------------------|
| <b>Predevelopment<br/>Loan</b><br><br><a href="#"><u>(EXHIBIT C-1)</u></a>      | Predevelopment financing through construction closing, primarily for projects that preserve existing subsidized affordable housing or NOAH units | <ul style="list-style-type: none"> <li>• Acquisition/rehabilitation projects (including both Substantial and Light Rehabilitation)</li> <li>• May be used to finance land acquisition</li> <li>• Only for projects not receiving other LACAHSA financing</li> <li>• Preference for Substantial Rehabilitation and projects 100% owned by one or more Eligible Nonprofits*</li> </ul> | \$1,000,000           |
| <b>Senior<br/>Construction Loan</b><br><br><a href="#"><u>(EXHIBIT C-2)</u></a> | Construction-phase financing for New-Construction and Substantial Rehabilitation Projects  | <ul style="list-style-type: none"> <li>• New-Construction and Substantial Rehabilitation Projects</li> <li>• Project must have a committed permanent takeout from a non-LACAHSA source</li> <li>• May finance LIHTC (9% and 4%) and non-LIHTC</li> <li>• Preference for new construction and projects 100% owned by one or more Eligible Nonprofits*</li> </ul>                      | \$28,000,000          |
| <b>Senior Permanent<br/>Loan</b><br><br><a href="#"><u>(EXHIBIT C-3)</u></a>    | Long-term financing for stabilized New-Construction Projects and Substantial Rehabilitation Projects (forward commitment available)              | <ul style="list-style-type: none"> <li>• New-Construction and Substantial Rehabilitation Projects</li> <li>• May finance LIHTC (9% and 4%) and non-LIHTC</li> <li>• Preference for new construction and projects 100% owned by one or more Eligible Nonprofits*</li> </ul>   | \$25,000,000          |

|   |  |   |                  |
|---|--|---|------------------|
| <b>Subordinate B-Note</b><br><br><a href="#"><b>(EXHIBIT C-4)</b></a>             | Provide subordinate, repayable gap financing for eligible projects beginning at close of construction/rehabilitation financing             | <ul style="list-style-type: none"> <li>• New-Construction and acquisition/rehabilitation (including both Substantial and Light Rehabilitation) Projects</li> <li>• May finance LIHTC (9% and 4%) and non-LIHTC</li> <li>• Preference for new construction and projects 100% owned by one or more Eligible Nonprofits*</li> </ul>  | \$15,000,000     |
| <b>Residual Receipts Loan (LIHTC)</b><br><br><a href="#"><b>(EXHIBIT C-5)</b></a> | Provide subordinate gap financing for LIHTC projects beginning at close of construction/rehabilitation financing                           | <ul style="list-style-type: none"> <li>• New construction and Substantial Rehabilitation</li> <li>• Projects must include LIHTC (9% or 4%) financing</li> <li>• Preference for New-Construction Projects</li> </ul>   | \$10,000,000     |
| <b>Light Rehab Preservation Loan</b><br><br><a href="#"><b>(EXHIBIT C-6)</b></a>  | Senior financing (with a term of up to 15 years) for Light Rehabilitation to preserve existing subsidized affordable housing or NOAH units | <ul style="list-style-type: none"> <li>• Existing subsidized affordable housing or NOAH units at risk of conversion to market-rate units</li> <li>• Non-LIHTC projects only</li> <li>• Preference for projects with no affordability or expiring affordability within 5 years</li> <li>• Deductions for projects with very minimal rehabilitation (e.g., less than \$3,500 per unit or \$250K total)</li> <li>• Preference for projects 100% owned by one or more Eligible Nonprofits*</li> </ul>             | \$10,000,000     |
| <b>Matching Capital Grant</b><br><br><a href="#"><b>(EXHIBIT C-7)</b></a>         | Last-in gap financing for projects after Subordinate B-Note or Residual Receipts Loan (as applicable) is maximized                         | <ul style="list-style-type: none"> <li>• New-Construction and acquisition/rehabilitation (including both Substantial and Light Rehabilitation) Projects</li> <li>• Projects that have received either a Subordinate B-Note or Residual Receipts Loan from LACAHSA</li> <li>• May finance both LIHTC and Non-LIHTC projects</li> <li>• Matching funds from the Sponsor required (can be from any source and in any form other than a loan)</li> <li>• Preference for New-Construction projects 100%</li> </ul> | Up to 15% of TDC |

|  |  |   |  |
|--|--|---|--|
|  |  | owned by one or more Eligible Nonprofits* |  |
|--|--|---|--|

\*i.e., entities eligible to receive 501(c)(3) tax-exempt bond proceeds to finance the proposed project

## 2. Rental and Operating Subsidy Products

| Product  | Purpose & Form of Assistance   | Eligibility & Preferences   | Maximum Amount  |
|--|--|---|---|
| <b>Operating Deficit Reserve</b><br><br><a href="#"><u>(EXHIBIT C-8)</u></a> | Reserve funding to cover operating shortfalls in affordable housing projects to the extent rental income is insufficient to meet stabilized operating costs.<br><br>Structured as reserve commitments rather than capital gap financing. | <ul style="list-style-type: none"> <li>• New-Construction and acquisition/rehabilitation (including both Substantial and Light Rehabilitation) Projects with units restricted to households at or below 80% AMI</li> <li>• Use of funds limited to operating purposes, only after depletion of primary reserves</li> <li>• Cannot be combined with Rental Subsidy program</li> <li>• Preference for projects serving households at or below 50% AMI</li> <li>• Preference for projects where LACAHASA is not the senior lender and for sponsors that are nonprofits or Emerging Developers</li> </ul> | \$200 PUPY, up to 15 years  |
| <b>Rental Subsidy</b><br><br><a href="#"><u>(EXHIBIT C-9)</u></a>            | Ongoing rental subsidy assistance, through project-based rental subsidy contracts to stabilize projects serving extremely low-income households and help ensure long-term project viability  | <ul style="list-style-type: none"> <li>• New-Construction and acquisition/rehabilitation (including both Substantial and Light Rehabilitation) Projects with units restricted to households at or below 30% AMI</li> <li>• Funds may not be used for capital costs, reserves, or developer fees</li> <li>• Funds cannot be combined with Operating Deficit Reserve program</li> <li>• Preference for New-Construction Projects</li> </ul>   | Difference between tenant-paid affordable rent and applicable HUD Fair Market Rents |

The complete terms, limitations, and requirements for each of the above Financing Products are described in the Term Sheets included in the *Product Terms, Scorecard, and Document Checklist* document for each product contained in [EXHIBIT C](#).

## **H. Permissible Financing Product Combinations**

Applicants may submit applications for the allowed combination of Financing Products as shown in [EXHIBIT G](#). Applications with impermissible combinations will be rejected.

### **I. Ineligible Activities**

LACAHSA funds can only be used for affordable housing projects. As a general rule, LACAHSA may be able to fund units up to 120% of Area Median Income (“AMI”), but SB 679 also contains certain more stringent affordability requirements depending on the nature of the project and the funding. Affordability requirements are set forth in the Program Guidelines and described in detail for each Financing Program in the applicable Term Sheet.

LACAHSA funding cannot be used for homeless services. LACAHSA may fund permanent supportive housing, but the funding for the supportive services must come from other sources. LACAHSA may only fund permanent housing units. Funding may be used to convert temporary housing to permanent units, but LACAHSA cannot fund temporary or transitional housing.

LACAHSA funds may not be used to finance units required *solely* by law or entitlement (e.g., inclusionary or density bonus-mandated units). LACAHSA may fund eligible units within a project in excess of such requirements if those units meet all LACAHSA program terms and are covered by a LACAHSA regulatory agreement. Funding will be allocated only to the eligible portion on a documented, pro-rata basis. Following are examples of permissible funding under common density bonus scenarios:

| <b>LACAHSA Financing Scenarios Involving Density Bonus Units</b> |   |
|--|---|
| <b>Scenario</b>  | <b>Permissible LACAHSA Financing</b>  |
| Density Bonus Units Granted to 100% Affordable Projects          | All units, including density bonus units, may be funded by LACAHSA. Because the project is 100% affordable, the income restriction is not due to the density bonus. That is, it was not granted to incentivize the developer to create affordable units by enabling more density for market-rate units. In this case, the density bonus applies because the project is 100% affordable. |
| Excess Affordable Units in Market Rate Projects                  | If the developer is proposing to build more affordable units than necessary to obtain a density bonus, then LACAHSA may fund the excess affordable units but not the units needed to achieve the density bonus. Note that, if the developer is receiving a benefit from the excess units (e.g., additional concessions, added density), then LACAHSA may not fund such excess units.    |
| Deepened Affordability   | If the developer is proposing to deepen the required affordability level (e.g., is required to restrict units at 80% AMI but restricts at 30% AMI), then LACAHSA may fund the value of the difference between the required restriction level and the deeper restriction level. <sup>4</sup>   |

<sup>4</sup> For the purposes of sizing LACAHSA subsidy during the selection phase, LACAHSA will determine “the value of the difference between the required restriction level and the deeper restriction level” by (1) calculating the difference between net operating income at the bonus-required restriction level and net operating income at the proposed deeper restriction level (i.e., the “Forgone Income”) and then (2) calculating the size

## **J. Funding Limits**

The Financing Products are subject to the funding limits described for each Financing Product in the respective Term Sheet included in [\*\*EXHIBIT C\*\*](#).

## **K. Labor Requirements**

Funding recipients will be required to adhere to the labor requirements contained in SB 679 and Measure A. All projects funded through the PPO Program must pay prevailing wages. Projects of 40 units or more must also assent to a Project Labor Agreement (“PLA”). For additional information regarding labor requirements—including clarification of applicability and examples of layering various requirements—refer to the Program Guidelines and the NOFA Web Portal on LACAHSA’s website.

For ease of reference, the Countywide Community Workforce Agreement is located at <https://lakahsa.gov/wp-content/uploads/2025/09/LA-County-Countywide-CWA-Agreement-1.pdf> and the City of Los Angeles PLA is located at <https://lakahsa.gov/wp-content/uploads/2025/09/Departmental-Project-Labor-Agreement-2020-2030.pdf>.

## **3. APPLICATION PROCESS**

### **A. Application Materials**

Application materials may be found at the NOFA Web Portal on LACAHSA’s website (<https://lakahsa.gov/>). Applicants should review the Proposal Requirements section of this NOFA for a complete list of documentation that must be submitted for applications to be considered complete.

### **B. Workshops / Listening Sessions**

In coordination with issuance of the NOFA for public review/comment, LACAHSA held workshops/listening sessions during the period beginning October 13, 2025 and ending November 3, 2025. LACAHSA published the date, time, and location of these sessions on the NOFA Web Portal. Comments received during these sessions were recorded, and LACAHSA responses will be publicly available on the NOFA Web Portal.

### **C. Questions and Answers**

In coordination with the release of the final NOFA, questions may be submitted in writing to LACAHSA regarding the NOFA. Questions may be submitted starting with release of the NOFA and ending on January 7, 2026. All questions, and LACAHSA’s responses, will be publicly available on the NOFA Web Portal.

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of a theoretical permanent loan supportable by the Foregone Income, based on the same assumptions (e.g., rate, DSCR, term, and amortization) used to size the permanent debt for the purposes of the LACAHSA financing application. If the project is selected to receive funds under one of the Financing Products, the final amount of such funding may not exceed the supportable debt based on the Foregone Income and the *actual terms* of the permanent financing with which the project will close.

All questions must be submitted to: [info@lacaahsa.gov](mailto:info@lacaahsa.gov)

## **D. Submittal of Financing Proposals**

### **1. Application Fee**

Applicants will not be required to submit any fee with their application. However, successful applicants that receive a funding award will be required to remit an Application Deposit (as further described below) in connection with a funding award, if any.

### **2. Application Due Date and Time**

Applications must be submitted no later than **5:00 p.m. (Pacific Time) on Friday, January 23, 2026**. LACAHSA will not accept applications after this time.

### **3. Application Submittal**

Applications, and all required attachments thereto, must be submitted to the NOFA Web Portal on LACAHSA's website (<https://lacaahsa.gov/>).

By submitting an application, Applicant agrees that it has the opportunity to pose questions to LACAHSA and is satisfied with any answers. Applicant further agrees that it has reviewed the requirements of this NOFA and has no objections to the terms, conditions, and procedures stated herein.

## **E. Application Scoring; Recommendations**

### **1. Base Scoring**

All application submittals will be scored and ranked according to the scoring applicable to each Financing Product. Notwithstanding project scoring, because of funding requirements of Senate Bill 679, new-construction projects will generally have an advantage over acquisition/rehabilitation projects when applying for Financing Products not specifically reserved for acquisition/rehabilitation projects. Additionally, because of the programmatic direction for Eligible Nonprofit financing (including advantageous relative cost of funds), Eligible Nonprofit-owned projects will generally have an advantage over non-501(c)(3) owned projects when applying for Financing Products not specifically reserved for non-501(c)(3) projects.

Scoring criteria for each Financing Product is included in Scorecards for each product contained in [EXHIBIT C](#).

*Where a project receives extra points for structuring a term beyond minimum requirements (e.g., higher debt service coverage ratio), the new term becomes a required condition for receipt of the requested Financing Product. LACAHSA's list of funding conditions for each awarded project will list the satisfaction of any such terms as a condition precedent to LACAHSA funding.*

## 2. Assignment of Bonus Points

After initial scoring, applications will be assessed bonus points for incorporating into the sponsor entity and broader development team entities designated as one or more of the following:

- Woman Business Enterprise (“WBE”)
- Minority Business Enterprise (“MBE”)
- LGBT Business Enterprise (“LGBTBE”)
- Emerging Developer

For the purposes of this NOFA:

- An entity is a WBE, MBE, or LGBTBE if it is certified as such by—
  - The California Department of General Services (<https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/business-and-community-outreach/supplier-diversity-program/supplier-database>),
  - The Office of Small Business in Los Angeles County’s Department of Economic Opportunity ([https://iddweb.isd.lacounty.gov/DCA\\_eComplaint/SmallBusinessCertifications](https://iddweb.isd.lacounty.gov/DCA_eComplaint/SmallBusinessCertifications)),
  - Women’s Business Enterprise National Council (<https://www.wbenc.org/>), or
  - The municipality in which the project is located (e.g., the City of Los Angeles DBE/MBE/WBE Directory located at <https://bca.lacity.gov/CertificationListings/DBEtable.php>).
- An entity that meets the definition of “BIPOC Entity” under §5170 of the California Debt Limit Allocation Committee (“CDLAC”) Regulations is also considered an MBE. Where the entity’s Principals have requested and received pre-qualification as a BIPOC Project (either for the project seeking LACAHSA funding or a different project) pursuant to §5231(d)(1) of the CDLAC Regulations, applicants should submit any related documentation to LACAHSA at the time of application.
- An entity is an Emerging Developer if it is an entity—other than a state or local government agency (“Public Entity”) or non-profit controlled by a Public Entity—with experience (either directly or through its Principals) as the developer, owner, or operator of a minimum of one but not more than four rental housing developments with unit types, project sizes, and occupancy comparable to the proposed project.<sup>5</sup>

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<sup>5</sup> Experience Requirements: In evaluating the experience requirement to qualify as an Emerging Developer, LACAHSA may consider either the experience of the entity itself or the experience of the entity’s principal(s) (“Principal”), subject to the following: Principals must be employed by the Respondent’s developer entity as senior management personnel and be authorized to execute and bind the entity to agreements. If the experience requirement is fulfilled by one or more Principals of the Emerging Developer, the applicant(s) must promptly notify LACAHSA in writing if any of these principals leave or are terminated by the entity. The experience of a consulting firm who is member to the applicant or hired by an Emerging Developer cannot be used to meet any experience requirement.

To receive bonus points under this section, applicants must complete the certifications in the Uniform Application Workbook and provide any documentation required therein.

**Project Sponsor (Up to 3 Points)**

Applications will receive 2 points where the project sponsor entity (a) is a WBE, MBE, or LGBTBE or (b) includes in the ownership structure (e.g., as a partner) a WBE, MBE, or LGBTBE entitled to at least 15% of the project's cash developer fee. Applications will receive 1 point where the project sponsor entity is an Emerging Developer.

**Development Team (Up to 2 Points)**

Applications will receive the following points where the project employs a WBE, MBE, or LGBTBE in the following roles:

- General Contractor (+1 Point)
- Architect (+0.5 Points)
- Developer Legal Counsel (+0.5 Points)

**3. Ranking and Respondent Review/Comment Period**

Following base scoring and assignment of any bonus points, applications for each product will be ranked by points from highest to lowest. In the case of a tie, LACAHSA will apply the tiebreakers described for each product to assist with ranking. LACAHSA will release this proposed scoring and ranking to respondents for review and comment. After consideration of any respondent comments, LACAHSA will finalize the rankings and sort applications by geography.

**4. Sorting by Geography**

Applications that have been scored and ranked will be sorted based on project location into one of the following geographic zones, which are aligned with the statutory governance structure defined in SB 679, Government Code section 64711(a)(4)(B):

| NOFA Geographic Zones              |  |
|------------------------------------|--|
| Zone                               | Included Eligible Jurisdictions  |
| North County / San Fernando Valley | City of Los Angeles, City of Santa Clarita, North LA County Transportation JPA, Burbank-Glendale-Pasadena RHT, San Fernando Valley COG, Unincorporated LA County |
| San Gabriel Valley                 | Pasadena, Pomona, El Monte, and surrounding San Gabriel Valley COG jurisdictions; Unincorporated LA County   |
| Southeast County                   | City of Long Beach; Gateway Cities COG/RHT, including Downey, Norwalk, and Bellflower; Unincorporated LA County  |

|                                    |   |
|------------------------------------|---|
| Southwest Corridor /<br>Coastal LA | City of Los Angeles, Las Virgenes/Malibu COG, Westside<br>Cities COG, South Bay Cities COG/RHT, Unincorporated<br>LA County |
|------------------------------------|---|

LACAHSA will endeavor to allocate each Zone roughly the same amount of funding under the NOFA. Unused funding allocation from any Zone (e.g., due to a lack of qualified applications) will be distributed evenly among the other zones.

#### **5. Recommendations and Next Steps**

LACAHSA will work to select the highest scoring applications within each Zone, while ensuring product- and zone-level budgets are not exceeded and other important policy priorities are met. LACAHSA will draft a report to the IRC recommending applications to fund, providing background information on the related projects and sponsors, and detailing its methodology and rationale for selection. The IRC will review this report and make recommendations to the Board. The final decision to select projects for next steps will be subject to the Board's sole and absolute discretion.

In conjunction with scoring criteria and ranking applications, the IRC and the Board may consider numerous other relevant factors which may become clear only after reviewing all project proposals.

#### **F. No-Contact Period**

From the date that the preliminary scores are released through the date that the Board selects projects for next steps, applicants and their representatives may not contact any member of the IRC or the Board regarding their application, preliminary score, or proposed project. Failing to adhere to this no-contact period may disqualify the applicant from further consideration. During this period, Applicants will have the opportunity to communicate their objections as stated below.

#### **G. Objections**

Applicants shall have two opportunities to submit objections:

1. To Preliminary Scoring. Applicants may submit any objections to the preliminary scoring beginning on the currently scheduled date for release of preliminary scoring, Friday, April 3, 2026, and ending on Wednesday, April 15, 2026, or other such date as may be established by LACAHSA. Objections must be in writing and submitted via the method described by LACAHSA at the time preliminary scores are released. Objections shall state the basis for any error, inconsistency, or other flaw in the scoring and shall contain a specific description of the manner in which the preliminary scoring is not correct. Objections shall be toward the actual scoring and not the criteria or methodology utilized.
2. To IRC Recommendations. Following the IRC's recommendations for Funding Awards (defined below), Applicants may submit any objections to the proposed awards from Friday, April 3, 2026, until Friday, April 9, 2026. The Board meeting will approve final project recommendations on Wednesday, April 15, 2026. Objections must be in writing

and submitted via the method described by LACAHSA and shall be limited to no more than five hundred (500) words. Objections shall state the basis for any error, inconsistency, or other flaw in reaching the recommendations. Objections will be provided for the Board's consideration prior to making the Funding Awards.

The Board may, in its sole discretion, make any Funding Awards notwithstanding any objections, and a Funding Award shall constitute a determination by the Board to waive the objection, regardless of merit, and proceed with the award.

## **H. Funding Awards**

Any award of funding pursuant to one of the Financing Products will be made by the Board (a "Funding Award") and will be conditional upon agreement to terms, including, among other things, payment of the Application Deposit (as described below). The Board's decisions on all Funding Awards are final. The initial installment of the Application Deposit must be received by LAHCASA within 30 days of the date the Applicant is notified of a Funding Award. Failure to timely remit any portion of the Application Deposit may result in rescission of the Funding Award at LAHCASA's sole and absolute discretion.<sup>6</sup>

## **4. LOAN TERMS**

### **A. Terms and Term of Commitment**

Each Financing Product is subject to specific terms as particularly described in the respective Term Sheet included in [EXHIBIT C](#).

Projects must meet all conditions of funding related to the applicable Financing Product (i.e., be "ready to close") within 12 months of notification of award. Failure to satisfy all funding conditions within 12 months may result in rescission of the award at LACAHSA's sole and absolute discretion. LACAHSA may grant extensions on a case-by-case basis, particularly for projects pursuing LIHTC or other state/federal funds, where reasonable forward progress is sufficiently documented.

### **B. Affordability Covenant**

Any project funded by any of the Financing Products will be required to record a covenant restricting the units to affordable uses for at least 55 years (typically from the date of recording or issuance of the Certificate of Occupancy, whichever occurs later) for rental projects at the required levels of affordability (an "Affordability Covenant"). In instances where a project includes income-restricted and non-income restricted units, the Affordability Covenant shall be structured so that LACAHSA can enforce the affordability restrictions without limitation. The presence of non-income restricted units shall not limit LACAHSA's ability to enforce the Affordability Covenant. Each Affordability Covenant shall require, among other things, the preparation and submittal of an annual report to LACAHSA demonstrating compliance with the requirements set forth therein.

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<sup>6</sup> On a limited, case-by-case basis, LACAHSA may consider waiving or postponing payment of this deposit for small non-profits requesting small amounts of funding.

### **C. Release of Funds**

Funds awarded will be appropriated by LACAHSA for the award. Release of funds will occur via an agreed upon process appropriate for the type of funding, which may include an escrow of the funds or disbursement pursuant to draw requests. Except in instances where LACAHSA determines that adequate security is provided, as determined in LACAHSA's sole and absolute discretion, LACAHSA will not release funds until an Affordability Covenant and other public benefit requirements are recorded. To the extent applicable and subject to LACAHSA's terms and conditions, funding recipients may request a letter of commitment or similar document to be used to acquire additional financing.

### **D. LACAHSA Fees and Costs**

LACAHSA will collect the following fees and costs from projects/project sponsors in connection with the LACAHSA-financed projects:

- Upfront Origination Fee
- Forward Commitment Fee (where applicable)
- Lender Closing Costs
- Plan and Cost Review/Monitoring Costs (where applicable)
- Annual Compliance Monitoring Costs

See the Term Sheets [\*\*EXHIBIT C\*\*](#) for details on the applicability and calculation of these fees and costs by Financing Product.

### **E. Material Adverse Change**

From the date the application is submitted and at all times up to and including the date of any Funding Award and the closing of such funding award, no material adverse change shall have occurred with respect to the applicant or the project, including but not limited to: the financial condition, working capital, assets, liabilities, management, business, operations, good standing of applicant; the financial feasibility of the project; the physical, environmental, and title conditions to the project site; availability and timeliness of government approvals, land use approvals, permits and licenses; appointment of a receiver, foreclosure, general assignment for the benefit of creditors, bankruptcy filing with regard to or affecting all or any of the assets of applicant or its owners; and community support for the project. In the event of any such material adverse change, LACAHSA may, in its sole discretion, work with the applicant to remedy the issue or take any other action available under the law and any agreements governing its relationship with the applicant, including rescinding any funding commitments or refusing to close on committed obligations.

Applicants should promptly notify LACAHSA of any actual or expected material changes to their application and explain why such a change is or is not likely to adversely affect the project. LACAHSA will review such notifications and work with applicants to resolve any related issues as quickly as practicable.

## **F. Standard Agreement**

LACAHSA will provide standard form loan of or subsidy agreements applicable to each respective Financing Product at or around the time of Funding Award.

## **G. Subordination**

### **1. Financing**

LACAHSA will subordinate its financing to senior lenders only for the following Financing Products (and as more particularly described in the respective Term Sheet):

- Subordinate Must-Pay Loan
- Residual Receipts Loan
- Matching Capital Grant

### **2. Affordability Regulatory Restrictions**

LACAHSA's affordability regulatory restrictions (i.e., Affordability Covenant) shall not be subordinate to any other regulatory restriction (except as may be required by State Law), covenant, mortgage, or deed of trust (or similar instrument) in favor of any party other than LACAHSA. Additionally, if a project includes income-restricted and non-income restricted units, the Affordability Covenant shall be structured so that LACAHSA can enforce the affordability restrictions without limitation. The presence of non-income restricted units shall not limit LACAHSA's ability to enforce the Affordability Covenant.

## **5. UNDERWRITING REQUIREMENTS**

Each application will be subject to the terms and requirements set forth in the Term Sheet for each Financing Product sought (See [EXHIBIT C](#)). However, notwithstanding the foregoing, LACAHSA will generally apply the underwriting requirements contained in the Uniform Multifamily Regulations ("UMR") set forth at Section 8300 of Title 25, Division 1, Chapter 7, Subchapter 19 of the California Code of Regulations; and the California Tax Credit Allocation Committee Regulations set forth at California Code Of Regulations Title 4, Division 17, Chapter 1, with particular attention directed to Section 10327 related to financial feasibility and determination of credit amounts. In the event of a conflict between the UMR and the underwriting terms provided in the relevant Term Sheet (or otherwise provided in this NOFA or by LACAHSA), LACAHSA's underwriting terms shall control.

## **6. PROPOSAL REQUIREMENTS**

All applications must contain sufficient information and supporting documentation to allow LACAHSA to determine eligibility, evaluate proposals, and assign scores based on the published Scorecard. Incomplete applications may be deemed ineligible. Proposals must include all of the following:

## A. Executed Certifications and Legal Disclosure Form

Applicant will be required to submit the Certifications and Legal Disclosure Form attached as [EXHIBIT D](#). The form must be executed by two principles with the authority to bind the Applicant.

## B. Application Checklist

A comprehensive Application Checklist is provided in the *Product Terms, Scorecard, and Document Checklist* document for each product contained in [EXHIBIT C](#). Applicants must complete and submit the checklist with their application to confirm that all required materials are included. The checklist has been integrated into the Uniform Application Workbook (described below) for ease of use.

The Application Checklist will solicit narrative and documentary information in the following areas as applicable to each program type in [EXHIBIT C](#):

| Document Checklist   |                                     |
|--|-------------------------------------|
| Required Documents   | Provided?                           |
| <b>1. Organizational and Eligibility</b><br>Organizational documents: Articles of Incorporation, Bylaws, 501(c)(3) Determination Letter if applicable, Certificate of Good Standing<br><i>Applicants and Managing Partners in the project's organizational chart must each provide required organizational documents.</i>  | <input type="checkbox"/>            |
| Organizational chart with principals/guarantors' equity distribution<br><i>Applicants and Managing Partners must submit an organizational chart that outlines percentage ownership among the entities and individuals within the partnership structure.</i>  | <input type="checkbox"/>            |
| Sponsor/guarantor financials statements and REO Schedule<br><i>Three years of audited financial statements and current year's financial statement that includes income statements and balance sheets. Provide REO schedules with DSCR clearly shown for each property in portfolio.</i>  | <input type="checkbox"/>            |
| Sponsor experience<br><i>Developer's list or Project Manager's resume of completed affordable multifamily rental housing projects in the past 10 years and identify completed projects in LA County. Include self-certification that sponsor/guarantor has been in compliance with public agencies (LACDA, HCD, TCAC/CDLAC) for the past 5 years.</i>  |                                     |
| Certifications and Legal Disclosure Forms (Exhibit D)  | <input type="checkbox"/>            |
| Conflict of Interest Disclosures (Exhibit E)   |                                     |
| <b>2. Real Estate &amp; Land Use</b>   |                                     |
| Site control, Preliminary Title Report, ALTA survey<br><i>Site control documents must be evidenced by fee simple title, ground lease, purchase and sale agreement, a leasehold with development provisions, or any other enforceable agreement (including DDAs and ENAs) subject only to ministerial approval showing site control will be obtained within 12 months of notification of award. Preliminary title reports and ALTA survey must be dated within 90 days of application submission.</i> | <input type="checkbox"/>            |
| Zoning status/approvals, permits (if any)  | <input checked="" type="checkbox"/> |

|  |                          |
|--|--------------------------|
| <i>Evidence that project's zoning will allow the proposed scope of development by providing copy of verification of zoning and land use entitlement approvals, zoning confirmation letter from the City or County of Los Angeles, or verification of zoning for the APN(s) and parcel map. If the project's entitlements are not yet approved by the application deadline, applicant shall demonstrate all discretionary land use approvals can be obtained within 90 days or by the Project Award approval date, whichever is sooner. Include narrative on density bonus requirements and determination to be eligible for LACAHSA funds.</i> | <input type="checkbox"/> |
| <b>3. Environmental Compliance</b>   | <input type="checkbox"/> |
| California Environmental Quality Act (CEQA) determination, National Environmental Policy Act (NEPA) Environmental Assessment (if required)<br><i>Evidence of CEQA and NEPA status or narrative outlining the approval will be received within 90 days of notification of award. Provide narratives detailing ministerial/CEQA-exempt paths and closure letters/clearance determinations.</i>   | <input type="checkbox"/> |
| Phase I/II Environmental Reports<br><i>Phase I ESA must be dated within 180 days of application submission.</i>  | <input type="checkbox"/> |
| <b>4. Design/Construction/Labor (Readiness)</b>  | <input type="checkbox"/> |
| Schematic/Preliminary Design and Development (DD), Construction Document (CD), or Permitted set of plans<br><i>At minimum, includes a site plan that identifies all areas or features proposed as project amenities, building elevations and unit floor plans (include square footages).</i>   | <input type="checkbox"/> |
| GC engagement and cost review, GC qualifications (if any)<br><i>Provide certification from the construction manager or general contractor engaged to confirm the Schedule of Value estimate for the project used in the pro forma.</i>   | <input type="checkbox"/> |
| <b>5. Rehabilitation &amp; Physical Needs (If Applicable)</b>  | <input type="checkbox"/> |
| Physical Needs Assessment (PNA) dated within 180 days of application submission<br><i>Meet TCAC requirements for PNAs and include detailed rehab scope of work budget included in pro forma.</i>   | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>  | <input type="checkbox"/> |
| Uniform Workbook<br><i>Includes development team information, sources and uses, rent schedule, pro forma, and self-scoring.</i>  | <input type="checkbox"/> |
| Appraisal; Market Study<br><i>Appraisal and market study must be dated within 12 months of application deadline. Current, audited operating statements of comparable assets, accompanied by a narrative and other required validations will be reviewed.</i>   | <input type="checkbox"/> |
| Financing LOIs/commitments (if applicable)<br><i>Preliminary award letters with no discretionary actions remaining for funding approval, and commitment letters from bank Construction/Permanent letters</i>   | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations</b>   | <input type="checkbox"/> |
| Property Management experience and qualifications. <i>Include narrative of property management plan. List property management properties in the past 15 years in: (a) California and (b) income restricted projects.</i>   | <input type="checkbox"/> |
| <b>8. Resident Impacts &amp; Services (If Applicable)</b>  | <input type="checkbox"/> |
| Resident engagement plan (Acquisition /Rehab Projects only)<br><i>Include narrative regarding tenant protections</i>   | <input type="checkbox"/> |

|   |                          |
|---|--------------------------|
| Relocation plan (if applicable)<br><i>Include relocation plan and budget in pro forma</i>   | <input type="checkbox"/> |
| Services plan, Service provider agreements (if applicable)<br><i>Narrative describing project meeting resident services standard (Exhibit H). Provide Letter of Intent, Memorandum of Understanding or other form of service agreement with resident services provider and qualifications. List service provider experience in: (a) California and (b) LA County.</i> | <input type="checkbox"/> |

### C. Uniform Application Workbook

LACAHSA has created an Excel workbook that applicants will fill out to describe their project (the “Uniform Application Workbook” or the “Workbook”). The Workbook serves as the comprehensive financing application tool for applicants seeking funding from LACAHSA. Applicants will use this structured application to request various types of funding made available through this NOFA. The purpose of this Workbook is to provide LACAHSA with a complete picture of each project and allow developers to receive feedback on their projects’ eligibility while outlining the required information and criteria needed to qualify for one of the Financing Products. This standardized format enables LACAHSA to efficiently review and underwrite projects while ensuring developers provide all necessary financial and operational details to support their funding requests.

The workbook guides applicants through entering detailed project information across multiple worksheets covering project eligibility by product, project overview (construction type, unit counts, etc.), financial sources and uses, operating assumptions, debt structures, and comprehensive financial proformas for both residential and commercial components. The application includes automated calculations and a self-scoring mechanism that evaluates whether projects meet LACAHSA’s funding product requirements and threshold criteria. Color-coded cells throughout the workbook clearly indicate which fields require direct applicant input versus automatically calculated or agency-provided information.

For entering information related to project financing, there are individual tabs that create a complete picture of the project, accompanied by financial worksheets that detail the project’s funding sources and proposed expenditures, including rental income projections and operating expense assumptions. Debt structure sections outline proposed loan terms and financing arrangements. Comprehensive financial projection worksheets present detailed operating forecasts for residential components, commercial components, and combined operations. A sources-and-uses matrix provides a detailed breakdown matching specific funding sources to corresponding project expenditures. A construction draw schedule outlines the proposed timeline for funding disbursements during development.

This standardized format enables LACAHSA to efficiently review and underwrite projects while ensuring applicants provide all necessary financial and operational details to support their funding requests. The integrated dashboard and summary sheets allow both applicants and Agency staff to quickly assess key project metrics and financial feasibility indicators essential for the underwriting process.

#### **D. Required Supporting Documentation**

Applicants must attach all supporting documentation referenced in Section B, as applicable to the Financing Product. This may include copies of site control agreements, entitlement approvals, agreements, financial statements, and other records as specified.

#### **E. Conflict of Interest Disclosure Form**

Please refer to [EXHIBIT E](#).

#### **F. Narrative Proposal/Drawings**

Please refer to requirements under each Financing Product Term Sheet in [EXHIBIT C](#).

### **7. OTHER TERMS AND CONDITIONS**

#### **A. General LACAHSA Requirements**

All projects receiving funding under this NOFA must adhere to SB 679, Measure A, the Program Guidelines, the Annual Expenditure Plan, and any other policies and guidelines adopted by the Board.

#### **B. LACAHSA's Rights and Responsibilities**

LACAHSA reserves the right to change the requirements and policies described in this NOFA. LACAHSA is responsible only for that which is expressly stated in the NOFA documents, any authorized written addenda, and any posted questions and answers. Such addenda shall be made available to each person or organization via LACAHSA's NOFA application website. It is the responsibility of applicants to ensure, prior to submission, that their application reflects the most recent addenda information, program requirements, and policies. By submission of an application, each applicant acknowledges receipt of all addenda, if any, that are emailed or posted on LACAHSA's website. LACAHSA is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf if those representations conflict with NOFA requirements.

#### **C. Confidentiality; Application Property of LACAHSA**

Once submitted, each application becomes the property of LACAHSA and becomes a public record. LACAHSA is not liable for the disclosure of any information contained in an application. Any information that applicants do not wish to disclose to the public must be clearly marked "confidential." A blanket statement of confidentiality or the marking of every page of the application as confidential shall not be deemed sufficient notice of exception. Applicants must specifically label only those portions of the application that are confidential in nature and notify LACAHSA that confidential information is included.

#### **D. Cost of Application Preparation**

The cost of application preparation shall be borne by the applicant. In no event shall LACAHSA be liable for any expenses incurred in the preparation and submission of the application.

#### **E. Other Funding Applications by NOFA Applicants**

LACAHSA reserves the right to request any funding applications submitted by NOFA applicants to other funding sources. Funding applications include all such requests for financing associated with the proposed project. Failure to provide such information upon request may result in LACAHSA taking action up to and including recission of funding.

#### **F. Compliance with Local, State, and Federal Law**

Applicants must be in compliance with all LACAHSA fiscal and programmatic requirements, all regulatory agreements with LACAHSA, and the requirements of other governmental entities or permitting agencies, including any and all laws, statutes, ordinances, codes, rules, regulations, directives, writs, injunctions, orders, decrees, rulings, or conditions of approval.

If any of the Applicant's existing projects are not in compliance with LACAHSA fiscal and programmatic requirement or other requirements as noted in the foregoing, the project will not be considered for funding.

#### **G. Noncompliant/Debarred Entities**

Applications may be withheld from funding consideration in the event that the Applicant (or any of its principals, or partners) is currently in arrears or delinquent in payment of debt to LACAHSA, deemed to be noncompliant with the requirements of any agreement with LACAHSA, or included on any County of Los Angeles, HUD, or other public agency's debarment list.

#### **H. Insurance Requirements**

Applicants must document that they maintain insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the work by the applicant, its agents, representatives, employees, or subcontractors. Insurance is required for all general partner entities and all insurance, including all applicable endorsements are required to be final and approved by LACAHSA prior to closing. For the purposes of estimating insurance costs during the construction and permanent phases, applicants should assume the types and levels of coverage customarily required by commercial lenders and LA County housing agencies (e.g., Los Angeles County Development Authority). For selected projects, LACAHSA will provide project-specific insurance requirements for the construction and permanent phases, as applicable, in an addendum to LACAHSA's funding commitment.

#### **I. Labor Requirements**

Please refer the Labor Requirements included as [EXHIBIT F](#).

## **J. Affordability Requirements**

Please refer to the Affordability Requirements applicable to each Financing Product in the applicable Term Sheet.

## **K. General Contractor Selection and Construction Contracts**

When seeking a general contractor, applicants must solicit a minimum of three bids for comparison of pricing and services offered. General contractors working on funded projects must use a guaranteed maximum price contract (GMAX) wherein the basis for payment is the cost of the work plus a fee. The construction contract shall include an overall cost limitation acceptable under LACAHSA's underwriting criteria. All construction contracts shall clearly state that the sharing of cost savings above and beyond the maximum general conditions, overhead, and profit allowed by LACAHSA's underwriting criteria are not allowed. Construction contracts shall not include costs associated with tenant improvements for commercial space associated with the project. Project budgets shall not include tenant improvement costs, and project funds (regardless of source) shall not be used for commercial tenant improvement costs.

## **L. Construction Signage**

Projects receiving funding through this NOFA must acknowledge this assistance with signage at the site. Construction signage must be approved by LACAHSA prior to placement at the project site.

## **M. Fair Housing, Accessibility, Marketing, and Lease-up**

All projects receiving funding under this NOFA must adhere to all fair housing and accessibility requirements applicable under federal, state, and local law. The project must be constructed and maintained in accordance with all applicable accessibility standards.

Projects that propose or implement a local preference will not be eligible for funding unless (a) such preference is required by law or (b) the Applicant can, at the time of application, otherwise demonstrate to the satisfaction of LACAHSA and its legal counsel that the preference is fully compliant with all applicable fair housing laws.

## **N. Consequences of Misrepresentation**

All information contained within an application, or otherwise provided by an Applicant or by any person on behalf of an Applicant, is material to LACAHSA's decision to make a Funding Award. In the event that LACAHSA determines that an application (or any other related submittal under this NOFA) includes false, misleading, or inaccurate statements or information, LACAHSA may, in its sole and absolute discretion, rescind any funding commitment or refuse to close on committed obligations. In addition to the foregoing, LACAHSA may initiate an action at law or equity to pursue any and all available legal or equitable remedies, including remedies to recover funds issued to Applicants. This provision shall not be construed as any limitation on LACAHSA's rights or remedies. Recipients of Funding Awards may be required to make information available to

LACAHSA to confirm that the award and use of LACAHSA's public funding is free of fraud, waste, or abuse.

## **8. EXHIBITS**

The following pages contain Exhibits A-H, which include:

- A. Summary of SB 679**
- B. Summary of Measure A**
- C. Financing Product Term Sheets, Scorecards, and Document Checklists**
  - C-1. Predevelopment Loan**
  - C-2. Senior Construction Loan**
  - C-3. Senior Permanent Loan**
  - C-4. Subordinate B-Note (Non-LIHTC)**
  - C-5. Residual Receipts Loan (LIHTC)**
  - C-6. Light Rehab Preservation Loan**
  - C-7. Matching Capital Grant**
  - C-8. Operating Deficit Reserve**
  - C-9. Rental Subsidy**
- D. Certifications and Legal Disclosure Form**
- E. Conflict of Interest Disclosures**
- F. Labor Requirements**
- G. Permissible Financing Product Combinations**

## [INSERT SECTION DIVIDER: EXHIBIT A]

## Exhibit A: Summary of SB 679

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*The full text of SB 679 can be found by following this [link](#).*

*A summary of the bill, as most relevant and applicable to this NOFA, is provided in this Exhibit.*

### **State Bill 679: Los Angeles County Regional Housing Finance Act**

#### **Background and Purpose**

SB 679 (passed in 2022) established the Los Angeles County Affordable Housing Solutions Agency (LACAHSA) to address the region's housing crisis through a countywide financing and coordination framework.

The Agency's mandate is to increase affordable housing supply and provide regional resources and technical assistance for:

- Renter protections
- Affordable housing preservation
- New affordable housing production for households earning up to 80% of AMI, with priority on the lowest incomes

#### **Governance and Oversight**

- Governed by a 21-member board (including LA County Supervisors, LA City officials, other City representatives, and subject matter experts).
- Supported by an 11-member Citizen's Oversight Committee with expertise in affordable housing finance, development, preservation, and tenant protection.
- Subject to public transparency laws (Brown Act, Public Records Act) and annual financial audits

#### **Powers and Financing Tools**

The Agency has the authority to raise and allocate revenue countywide, including placing ballot measures before voters.

Authorized funding mechanisms include:

- Special taxes (parcel tax, gross receipts business license tax, documentary transfer tax)
- Issuance of ad valorem tax-secured bonds (with 2/3 voter approval)
- Revenue bonds backed by Agency revenues
- Other financing tools such as grants, loans, loan guarantees, equity, and interest rate subsidies

#### **Labor and Land Use Standards**

- All construction or rehabilitation projects funded by LACAHSA are classified as public works, requiring prevailing wages.
- Projects with 40+ units must comply with a Project Labor Agreement (PLA) (either the City of LA Department of Public Works PLA or a negotiated countywide PLA).
- Agency is not authorized to regulate local land use or use eminent domain

#### **Expenditure and Programmatic Requirements**

Revenue must be used for:

- Affordable housing production and preservation

- Tenant protection programs
- Planning, technical assistance, and policy development

Statutory allocation requirements include:

- Minimum 40% for housing production/preservation
- At least 30% for renter protections
- Minimum 5% for technical assistance and policy development
- Maximum 10% for administration

### **Geographic Distribution**

Funds must be allocated across the county according to a geographic distribution formula, with direct allocations available to eligible jurisdictions that meet compliance standards.

### **Environmental Review**

Certain Agency financing actions (e.g., issuing loans, grants, or bonds) are exempt from CEQA to expedite affordable housing delivery. However, development projects may still be subject to CEQA if required by other funding sources or by local jurisdictions. Applicants should not assume that receipt of LACAHSA financing eliminates CEQA compliance obligations.

## [INSERT SECTION DIVIDER: EXHIBIT B]

## Exhibit B: Summary of Measure A

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The full text of Measure A can be found by following this [link](#).

A summary of the measure, as most relevant and applicable to this NOFA, is provided in this Exhibit.

### **Measure A: Affordable Housing, Homelessness Solutions and Prevention Now Sales Tax Ordinance**

#### **Background and Purpose**

Measure A was approved by voters in 2024, establishing a 0.5% countywide sales tax to replace Measure H (0.25%). The Measure is expected to generate roughly \$1 billion annually for affordable housing, homelessness prevention, and supportive services.

The measure aims to significantly reduce homelessness by:

- Expanding affordable and interim housing
- Increasing mental health and substance use treatment
- Preserving existing affordable housing
- Preventing evictions and displacement

#### **Funding Distribution**

Administered by the LA County Auditor-Controller, proceeds are distributed as follows:

- 60% - County of Los Angeles for homelessness services, Local Solutions Fund, and innovation programs
- **35.75% - Los Angeles County Affordable Housing Solutions Agency (LACAHSA) for affordable housing and prevention**
  - *LACAHSA's share may not fall below 33.3% in future reallocation reviews*
- 3% - Los Angeles County Development Authority (LACDA) for local housing production
- 1.25% - County for accountability, data, and research

#### **Program Uses**

Funds may be used for:

- Affordable housing construction, preservation, tenant protection, and planning/TA (LACAHSA)
- Interim and permanent supportive housing, rent subsidies, rapid rehousing, and eviction prevention (County)
- Local return for cities through the Local Solutions Fund, based on homelessness metrics

#### **Oversight and Accountability**

Strong reporting and accountability requirements, including:

- Annual reporting by all funding recipients
- Independent financial audits and public posting of reports
- Evaluation of outcome metrics beginning in 2025, with potential reallocation of funds if targets are not met

Oversight is shared between the County Executive Committee and LACAHSA. Each evaluates process toward system-wide and housing-related goals.

### **Labor Standards and Project Requirements**

- All construction or rehabilitation projects funded are classified as public works requiring prevailing wages.
- Projects of 40+ units must comply with a Project Labor Agreement (PLA): LA City PLA if within the City, or a Countywide PLA if elsewhere in the county.
- At least 80% of units produced with Measure A funds must be built under a PLA.

### **Initial Housing Spending Requirements (through 2035)**

- LACAHSA: 60% of funds for housing and prevention must go to creation, preservation, and ownership with **77.25% of that for new construction**.
- LACDA: 100% of funds must go to new affordable housing construction

### **Environmental Review**

Financing actions under Measure A may qualify for CEQA exemptions. However, projects may still be subject to CEQA if required by other funding sources or jurisdictions. Applicants should not assume Measure A funding eliminates CEQA obligations.

## [INSERT SECTION DIVIDER: EXHIBIT C]

## **Exhibit C: Financing Product Term Sheets, Scorecards, and Document Checklists**

### **Defined Terms**

For the purposes of this NOFA—in particular, the Term Sheets and Scorecards provided herein—the following terms have the following meanings:

**“Acquisition Project”** means a Project consisting of the purchase of existing real property (land and/or improvements) for use as affordable housing, without construction or rehabilitation beyond customary repair/turnover work.

**“Acquisition/Rehabilitation Project”** means a Project involving the purchase of existing real property combined with physical improvements to correct deferred maintenance, address building systems, and/or reconfigure units/common areas in order to preserve or extend the property’s useful life and affordability.

**“Adjusted Total Development Costs”** for a project means the sum of all project costs described in the pro forma *minus*:

- Developer fee contributed as GP equity
- Donated land for LIHTC projects
- Value of any below-market ground lease
- Any LACAHSA Operating Deficit Reserve

**“Agency”** means the Los Angeles County Affordable Housing Solutions Agency (LACAHSA).

**“Area Median Income (AMI)”** means the area median income (and household size adjustment) published by HUD and adopted by the Agency for the applicable program year.

**“Affordability Covenant” or “Regulatory Agreement”** means the Agency-approved recorded agreement (or equivalent instrument) that imposes affordability and other program requirements on a Project for the required term.

**“Document Checklist”** means the consolidated list of documents required to evaluate Applications, organized by category for each Financing Product, as may be updated by the Agency.

**“Environmental Site Assessment (ESA)”** means, unless otherwise specified by the Agency, a Phase I Environmental Site Assessment prepared in accordance with ASTM E1527-21 (or its successor), intended to identify recognized environmental conditions in connection with commercial real estate and, if required in the Phase I assessment, a Phase II assessment.

**“HUD Fair Market Rents” or “HUD FMR”** means the 2026 Fair Market Rents published for the County of Los Angeles by the U.S. Department of Housing and Urban Development (HUD), unless the project is in a zip code for which HUD publishes 2026 Small Area Fair Market Rents (SAFMR), in which case “HUD Fair Market Rents” or “HUD FMR” shall mean the 2026 SAFMR for the applicable zip code published by HUD.

**“LACAHSA Developer Fee Standards”** means the maximum developer fee allowed for projects receiving financing under one of the Financing Products. For LIHTC projects, this maximum will be equal to the CDLAC/TCAC maximums for total and cash developer fees applicable to the project. For non-LIHTC

projects, this maximum will be equal to the lesser of 15% of total development cost or \$6 million, up to \$3.5 million of which may be received in cash and the balance of which must be deferred.

**“LACAHSA Interest Reserve Requirements”** means the following standard requirements for capitalized interest during the construction/rehabilitation period and through stabilization, calibrated to the applicable LACAHSA NOFA Rate Chart and the construction/rehabilitation term for each Financing Product. Each project relying on capitalized interest during the construction/rehabilitation phase must create an interest reserve sized as follows: Construction/Rehab Period + Lease-up Period + 3-Month Cushion (Construction/Rehab and Lease-up periods to be verified by plan and cost review and appraisal, respectively), assuming the greater of 50% average outstanding loan balance or monthly spending projections. For variable-rate loans, LACAHSA will add a 100-basis point cushion to the all-in rate as of closing.

*For the purposes of initial project selection, applicants should size interest reserves assuming no tenant income during the construction and lease-up phases. However, following project selection and during the full underwriting process, LACAHSA may give credit for tenant income (e.g., from a portion of occupied units during an occupied rehabilitation or during lease-up) subject to prudent underwriting standards.*

**“LACAHSA NOFA Rate Chart”** means the following table of indicative interest rates and assumptions for each Financing Product and term length, as calculated under the methodology referenced in each Product’s Term Sheet and fixed “as-of” a stated date for use in comparing projects applying to for financing under this NOFA.

| <b>LACAHSA NOFA Rate Chart</b> |           |
|--------------------------------|-----------|
| As-Of Date:                    | 11/5/2025 |
| 10Y UST Rate:                  | 4.14%     |
| SOFR Rate:                     | 4.00%     |
| SLGS Rate (Years - Months):    |           |
| 01-00                          | 3.66%     |
| 02-00                          | 3.57%     |
| 03-00                          | 3.59%     |
| 04-00                          | 3.64%     |
| 05-00                          | 3.71%     |
| 06-00                          | 3.80%     |
| 07-00                          | 3.89%     |
| 08-00                          | 3.97%     |
| 09-00                          | 4.05%     |
| 10-00                          | 4.12%     |
| 11-00                          | 4.20%     |
| 12-00                          | 4.28%     |
| 13-00                          | 4.36%     |
| 14-00                          | 4.44%     |
| 15-00                          | 4.50%     |
| 16-00                          | 4.55%     |

|                            |              |
|----------------------------|--------------|
| 17-00                      | 4.60%        |
| 18-00                      | 4.63%        |
| 19-00                      | 4.65%        |
| 20-00                      | 4.67%        |
| 21-00                      | 4.68%        |
| 22-00                      | 4.69%        |
| 23-00                      | 4.69%        |
| 24-00                      | 4.70%        |
| 25-00                      | 4.70%        |
| 26-00                      | 4.70%        |
| 27-00                      | 4.69%        |
| 28-00                      | 4.69%        |
| 29-00                      | 4.69%        |
| <b>30-00 THROUGH 40-00</b> | <b>4.69%</b> |

**“LACAHSA Services Standards”** means the Agency’s standards related to the provision of social services in LACAHSA projects, as described in [EXHIBIT H](#). The selection criteria for certain LACAHSA products includes additional points for inclusion of services meeting these standards.

**“LACAHSA Standard Closing Cost Assumptions”** means the Agency’s standard assumptions for certain costs customarily incurred at closing, as follows:

| <b><i>LACAHSA Standard Closing Cost Assumptions</i></b> |           |
|---|-----------|
| Lender Legal  | \$100,000 |
| Market Study  | \$13,500  |
| Appraisal   | \$15,000  |

Pro forma financials must assume costs greater than or equal to the above.

**“LACAHSA Standard Construction Review & Monitoring Assumptions”** means the Agency’s requirements for draw administration, site inspection, frequency of monitoring, deliverables (e.g., inspection reports), and related fees during construction/rehabilitation. For the purposes of this NOFA, pro forma financials must assume a cost of at least \$8,000 for an upfront plan and cost review, plus \$1,600 per month for monitoring during the construction period, to meet these requirements.

**“LACAHSA Readiness to Proceed Checklist”** means the Agency’s standardized checklist of items evidencing development readiness, used for scoring and/or underwriting, which, depending on the Financing Product, may include: (i) complete pro forma financial model; (ii) preliminary financing commitments from all non-LACAHSA funders; (iii) evidence of site control; (iv) site development plan provided; (v) evidence of appropriate zoning; (vi) market study provided; (vii) physical needs assessment (for rehab projects); (viii) commitment letter/letter of intent for permanent financing from a non-LACAHSA source. Note: Readiness to Proceed is not applicable to the Predevelopment Loan, and readiness items are tailored by Product.

**“LACAHSA Unit Cost Benchmark”** means the benchmark for development cost per square foot by project type used for eligibility, scoring, and/or underwriting under this NOFA. This benchmark will be equal to the mean of Adjusted Total Development Costs for all projects applying for financing under this NOFA, expressed on a per-square-foot basis, for each of 3 project types: New Construction, Substantial Rehabilitation, and Light Rehabilitation. As described in the Scorecards below, projects may receive additional points for costs significantly below this amount. If LACAHSA does not receive sufficient information to create a benchmark for one of the project types (e.g., there are too few Light Rehabilitation projects to calculate a reliable mean), LACAHSA may rely on recent publicly available data for development costs in LA County to create a benchmark.

**“LIHTC Project”** means a project financed with federal Low-Income Housing Tax Credits under Internal Revenue Code Section 42, meeting the requirements for qualified low-income buildings, applicable fraction, set-aside, and extended use restrictions.

**“Light Rehabilitation”** means a rehabilitation that does not qualify as a Substantial Renovation (as defined below) but where the costs of required repairs meet or exceed the greater of \$3,500 per unit or \$250,000 in the aggregate.

**“Loan-to-Value Ratio” or “LTV”** means the ratio of (a) a given permanent, must-pay loan to (b) the year-one, as-stabilized value of the relevant project, where such value is calculated as the sum of (a) the project’s net operating income divided by a reasonable (e.g., market study- or appraisal-derived capitalization rate) plus (b) the value of any LIHTC equity investment.

**“New-Construction Project”** means a Project involving the construction of new residential improvements (and related site work) where no residential structures previously existed (or where prior structures are demolished and replaced) to create new affordable housing units.

**“NOAH”** means naturally occurring affordable housing and refers to existing, typically older, unsubsidized rental housing that is affordable to lower-income households without project-based public subsidy or affordability restrictions. Preservation strategies generally focus on acquisition, moderate rehab, and long-term affordability commitments.

**“Non-LIHTC Project”** means a Project that is not financed with federal Low-Income Housing Tax Credits under IRC Sec. 42 (though it may use other subsidies, bonds, or Financing Products).

**“Substantial Rehabilitation”** means a rehabilitation where either:

- (a) The required repairs and improvements involve replacing two or more major building components (as defined by HUD) or
- (b) Rehabilitation costs exceed the greater of:
  - i. 15% of the property's replacement cost (fair market value - exclusive of soft costs) after completion of all required repairs, replacements, and improvements and
  - ii. \$6,500 per dwelling unit (adjusted by HUD's authorized high cost percentage) and
  - iii. 20% of the mortgage proceeds applied to rehabilitation expenses.

[INSERT SECTION DIVIDER: EXHIBIT C-1]

**Exhibit C-1: Product Terms, Scorecard, and Document Checklist**  
***Predevelopment Loan***

| Predevelopment Loan                        |   |   | Max. Score | Project Score |
|--|---|---|------------|---------------|
| Product Terms                              |   | Selection Criteria  |            |               |
| <b>A. Purpose &amp; Form of Assistance</b> |   |   |            |               |
| 1. Purpose & Form of Assistance            | Provide predevelopment financing through construction closing, primarily for projects that preserve existing subsidized affordable housing or NOAH units.   | N/A   |            |               |
| <b>B. Eligibility</b>                      |   |   |            | <b>50</b>     |
| 1. Projects                                | <p>Acquisition/rehabilitation projects (including both Substantial and Light Rehabilitation); Expansive list of eligible costs, including land acquisition; Only for projects not receiving other LACAHSA financing; Preference for Substantial Rehabilitation projects</p> <p>Eligible costs include site control, acquisition of land/buildings, demolition/abatement, third-party reports (e.g., engineering studies, environmental studies, market studies), architectural plans, application fees, legal services, permits, bonding, and site preparation.</p> | <p><b>Threshold Requirements</b></p> <p>Is this an acquisition/rehabilitation project without other LACAHSA financing?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add <b>10 points</b> for Substantial Rehabilitation.</p> <p>Add <b>1 point</b> for every 2.5% by which existing weighted-average rents are below the applicable weighted-average HUD Fair Market Rents, up to 20 points.</p> | <b>30</b>  |               |
| 2. Owners                                  | Eligible Nonprofits, Private Entities; Preference for projects 100% owned by Eligible Nonprofits  | <p><b>Threshold Requirements</b></p> <p>Is the project owned by either an Eligible Nonprofit entity or a Private Entity?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add <b>20 points</b> for projects 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible).</p>  | <b>20</b>  |               |
| <b>C. Loan Size and Structure</b>          |   |   |            |               |
| 1. Maximum Amount                          | \$1,000,000   | <p><b>Threshold Requirement</b></p> <p>Is the funding amount less than or equal to \$1,000,000?</p>   |            |               |

| Predevelopment Loan             |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|---------------------------------|--|---------------|--|------------|---------------|
|                                 |  |               | If YES, proceed<br>If NO, disqualified   |            |               |
| 2. Term                         | Due at earlier of 36 months or close of acquisition/construction financing   |               | <b>Threshold Requirement</b><br>Is the term less than or equal to 36 months?<br>If YES, proceed<br>If NO, disqualified       |            |               |
| 3. Maximum Amortization         | Interest-only during term; paid quarterly  |               | <b>Threshold Requirement</b><br>Are interest payments modeled correctly?<br>If YES, proceed<br>If NO, disqualified           |            |               |
| 4. Interest Rate                | 3% Compounding Interest  |               | <b>Threshold Requirement</b><br>Does the model assume a 3% compound interest rate?<br>If YES, proceed<br>If NO, disqualified |            |               |
| 5. Prepayment Lockout/Penalties | No prepayment lockout or penalties   | N/A           |  |            |               |
| 6. Recourse                     | Non-recourse, subject to exceptions for fraud, misrepresentation, etc. ( <i>so-called "bad acts carveouts"</i> )                         | N/A           |  |            |               |
| 7. Security                     | Real property, where possible  | N/A           |  |            |               |
| <b>D. Loan Costs</b>            |  |               |  |            |               |
| 1. Application Deposit          | Non-refundable deposit of \$1,500 due within 30 days of NOFA selection (applied as a credit to legal and advisory costs/fees at closing) | N/A           |  |            |               |
| 2. Upfront Origination Fee      | 0.75% of total loan amount   |               | <b>Threshold Requirement</b><br>Does the model assume a 0.75% origination fee?<br>If YES, proceed<br>If NO, disqualified     |            |               |
| 3. Forward Commitment Fee       | N/A - Immediate delivery   | N/A           |  |            |               |
| 4. Extension Fee                | N/A  | N/A           |  |            |               |

| Predevelopment Loan                   |   |  | Max. Score | Project Score |
|---------------------------------------|---|--|------------|---------------|
| Product Terms                         |   | Selection Criteria   |            |               |
| 5. Lender Closing Costs               | Borrower to pay LACAHSA legal and advisory costs at closing ( <i>capped at \$7,500</i> )  | N/A  |            |               |
| 6. Annual Compliance Monitoring Costs | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> )  | <p><b>Threshold Requirement</b></p> <p>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?</p> <p>If YES, proceed<br/>If NO, disqualified*</p>   |            |               |
| <b>E. Public Benefit Requirements</b> |   |  | <b>15</b>  |               |
| 1. Affordability Restrictions         | <p>At loan closing, all AMI levels are eligible. As units turn over time, 100% of the building must reach 50% AMI.</p> <p>Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance.</p>   | <p><b>Threshold Requirements</b></p> <p>Does the sponsor acknowledge all units must reach 50% of AMI with turnover?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add <b>15 points</b> for a 99-year affordability election.</p> | <b>15</b>  |               |
| 2. Project Labor Requirements         | <p>For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages.</p> <p>Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project.</p> | N/A  |            |               |
| 3. Resident Engagement                | <p>For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.</p>  | N/A  |            |               |
| 4. Tenant Protections                 | <p>For acquisition/rehabilitation projects, no displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if</p>  | N/A  |            |               |

| Predevelopment Loan                 |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|---|--|--------------------|------------|---------------|
|                                     | required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., rent is greater than 50% of household income).  |  |                    |            |               |
| 5. Resident Services                | Sponsors will be required to provide resident services consistent with the tenant population and any special set-asides (e.g., seniors, formerly homeless).   | N/A  |                    |            |               |
| <b>F. Credit Risk Standards</b>     |   |  |                    | <b>35</b>  |               |
| 1. Sponsor/Guarantor                |   |  |                    |            |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.  | <p><b>Threshold Requirements</b></p> <p>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> per year of development experience in Los Angeles County, up to a maximum of 15 points, and <b>1 point</b> for each completed projects in Los Angeles County in the past 15 years, up to a maximum of 10 points.</p> <p>(ii) Deduct points as follows: <b>-5 points</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -15 points, and <b>-5 points</b> for each portfolio project with DSCR below 1.0x, up to -15 points.</p> | <b>25</b>          |            |               |
| b. Sponsor Financial Strength       | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b></p> <p>Guarantor must have at least (i) \$6 million of net worth for private entities and \$1 million for 501(c)(3) entities and (ii) \$2 million of liquidity for private entities and \$500k for 501(c)(3) entities.</p> <p><b>Point Scoring</b></p>   | <b>10</b>          |            |               |

| Predevelopment Loan                        |                               | Product Terms | Selection Criteria   | Max. Score | Project Score |
|--|-------------------------------|---------------|--|------------|---------------|
|  |                               |               | Add <b>5 points</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for 501(c)(3) entities and <b>5 points</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for 501(c)(3) entities. |            |               |
| <b>G. Tie Breakers (Order of Priority)</b> |                               |               |  |            |               |
| 1. Ownership                               | <i>See Selection Criteria</i> |               | Advantage to projects that will be owned by 501(c)(3) entities eligible for tax-exempt financing   |            |               |
| 2. Sponsor Experience                      | <i>See Selection Criteria</i> |               | Advantage to sponsors that have developed the greatest number of projects in Los Angeles County  |            |               |
| 3. Discount to FMR                         | <i>See Selection Criteria</i> |               | Advantage to projects with the greatest weighted-average discount to HUD Fair Market Rents   |            |               |

| Document Checklist  |                          |
|---|--------------------------|
| Required Documents  | Provided?                |
| <b>1. Organizational and Eligibility</b>                      |                          |
| Articles/Bylaws/501(c)(3), Good Standing                      | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI                         | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs                       | <input type="checkbox"/> |
| Public resolution; Housing Element/AFFH (if public)           | <input type="checkbox"/> |
| <b>2. Real Estate &amp; Land Use</b>                          |                          |
| Site control, prelim title, ALTA                              | <input type="checkbox"/> |
| Zoning status/approvals, permits (if any)                     | <input type="checkbox"/> |
| Will-serve/utilities, flood                                   | <input type="checkbox"/> |
| <b>3. Environmental Compliance</b>                            |                          |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS)    | <input type="checkbox"/> |
| Phase I/II ESA; mitigation matrix                             | <input type="checkbox"/> |
| <b>4. Financing &amp; Economics</b>                           |                          |
| Uniform workbook; S&U; pro forma                              | <input type="checkbox"/> |
| Appraisal/cost; market study                                  | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                               | <input type="checkbox"/> |
| <b>5. Affordability, Compliance &amp; Operations (drafts)</b> |                          |
| Draft regulatory agreement; rent schedule                     | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                    | <input type="checkbox"/> |
| SNDA (if any)   | <input type="checkbox"/> |
| <b>6. Resident Impacts &amp; Services (if applicable)</b>     |                          |
| Community outreach; engagement plan (A/R)                     | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                      | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)              | <input type="checkbox"/> |
| <b>7. Product-Specific Supplements</b>                        |                          |
| Predevelopment budget/workplan                                | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-2]

**Exhibit C-2: Product Terms, Scorecard, and Document Checklist**  
***Senior Construction Loan***

| Senior Construction Loan                   |  | Product Terms  | Selection Criteria | Max. Score | Project Score |
|--|--|--|--------------------|------------|---------------|
| <b>A. Purpose &amp; Form of Assistance</b> |  |  |                    |            |               |
| 1. Purpose & Form of Assistance            | Provide construction-phase financing for New-Construction and Substantial Rehabilitation projects.   | N/A  |                    |            |               |
| <b>B. Eligibility</b>                      |  |  |                    | <b>24</b>  |               |
| 1. Projects                                | New construction and Substantial Rehabilitation projects; Project <b>must</b> have a committed permanent takeout from a <b>non-LACAHSA source</b> ; May finance LIHTC and non-LIHTC; Preference for new construction | <p><b>Threshold Requirements</b><br/>           Is this a new-construction or major acquisition/rehabilitation project without LACAHSA Senior Permanent Loan financing, with or without LIHTC financing?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p>Does the project have a committed permanent takeout from a non-LACAHSA source?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p><b>Point Scoring</b><br/>           Add <b>7 points</b> for new-construction projects.</p> |                    | <b>7</b>   |               |
| 2. Owners                                  | Eligible Nonprofits, Private Entities; Preference for projects 100% owned by Eligible Nonprofits   | <p><b>Threshold Requirements</b><br/>           Is the project owned by either an Eligible Nonprofit or a Private Entity?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p><b>Point Scoring</b><br/>           Add <b>7 points</b> for projects 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible).</p>  |                    | <b>7</b>   |               |
| 3. Readiness to Proceed                    | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's  | <p><b>Threshold Requirements</b><br/>           Is the project ready to proceed within the required timeframe based on the following?*</p>   |                    | <b>10</b>  |               |

| Senior Construction Loan          |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|--|---------------|---|------------|---------------|
|                                   | Readiness to Proceed Checklist) within 12 months of award. |               | <p>(i) Complete pro forma financial model;<br/> (ii) Preliminary financing commitments from at least 80% of non-LACAHSA sources;<br/> (iii) Evidence of site control;<br/> (iv) Site development plan provided;<br/> (v) Evidence of appropriate zoning;<br/> (vi) Market study provided;<br/> (vii) Physical needs assessment (for rehab projects) provided<br/> (viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</p> <p>If YES to all, proceed<br/> If NO to any, disqualified</p> <p><i>*See Section 6(B) of the NOFA for details on these requirements.</i></p> <p><b>Point Scoring</b></p> <p>Add points for the following:</p> <p>(i) Full architectural drawings by licensed architect (<b>2 points</b>);<br/> (ii) Preliminary environmental reports (e.g., Phase I) and a plan to complete necessary additional steps within the required timeframe (<b>2 Points</b>);<br/> (iii) General contractor (a) has been engaged (<b>1 point</b>), (b) has helped develop the construction/rehab budget (<b>1 additional point</b>), is bound by a fully executed contract (<b>1 additional point</b>);<br/> (iv) All permits or permit-ready letters (subject only to payment of fees) in hand (3 points)</p> |            |               |
| <b>C. Loan Size and Structure</b> |  |               |   |            |               |
| 1. Maximum Amount                 | \$28,000,000   |               | <p><b>Threshold Requirement</b></p> <p>Is the funding amount less than or equal to \$28,000,000?</p> <p>If YES, proceed<br/> If NO, disqualified</p>  |            |               |

| Senior Construction Loan            |   |  | Max. Score | Project Score |
|-------------------------------------|---|--|------------|---------------|
| Product Terms                       |   | Selection Criteria   |            |               |
| 2. Term                             | Up to 36 months   | <p><b>Threshold Requirement</b></p> <p>Is the term less than or equal to 36 months?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |            |               |
| 3. Interest Rate                    | <p>At the borrower's election:</p> <p>(a) SLGS + 175 Basis Points<br/><b>OR</b><br/>(b) Variable rate sized at the 1-Month Secured Overnight Financing Rate (SOFR) plus 100 basis points</p>  | <p><b>Threshold Requirement</b></p> <p>Does the model assume the proper interest rate based on the LACAHSA NOFA Rate Chart given the rate mode, product type, and term?</p> <p>If YES, proceed<br/>If NO, disqualified</p> |            |               |
| 4. Rate Lock/<br>Commitment Options | <p>Rate lock up to 90 days prior to closing for fixed-rate loan (<i>final rate includes lookback option to select the lowest index rate during the 90-day period</i>)</p> <p><i>N/A for variable-rate loan</i></p>  | N/A  |            |               |
| 5. Conversion<br>Requirements       | Set by permanent lender; Must be acceptable to LACAHSA  | N/A  |            |               |
| 6. Prepayment<br>Lockout/Penalties  | No prepayment lockout or penalties  | N/A  |            |               |
| 7. Recourse                         | Completion and lease-up guarantees required   | N/A  |            |               |
| 8. Security                         | Senior lien on real property; LACAHSA will not subordinate to other lenders   | N/A  |            |               |
| <b>D. Loan Costs</b>                |   |  |            |               |
| 1. Application Deposit              | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products, no additional deposit is required. | N/A  |            |               |
| 2. Upfront Origination<br>Fee       | 1% of total loan amount   | <p><b>Threshold Requirement</b></p> <p>Does the model assume a 1% origination fee?</p> <p>If YES, proceed<br/>If NO, disqualified</p>  |            |               |

| Senior Construction Loan                     |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|--|--|---|--------------------|------------|---------------|
| 3. Extension Fee                             | 2-basis point fee for each month the conversion date is delayed  | N/A   |                    |            |               |
| 4. Lender Closing Costs                      | Borrower to pay LACAHSA legal and advisory costs at closing  | <p><b>Threshold Requirement</b></p> <p>Does the model assume proper lender closing costs based on LACAHSA Standard Closing Cost Assumptions?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |                    |            |               |
| 5. Plan and Cost Review/<br>Monitoring Costs | Borrower to cover the cost of LACAHSA's plan and cost reviewer/construction monitor  | <p><b>Threshold Requirement</b></p> <p>Does the model assume proper plan and cost review / monitoring costs based on LACAHSA Standard Construction Review &amp; Monitoring Assumptions?</p> <p>If YES, proceed<br/>If NO, disqualified</p>  |                    |            |               |
| 6. Annual Compliance<br>Monitoring Costs     | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> )   | <p><b>Threshold Requirement</b></p> <p>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |                    |            |               |
| <b>E. Public Benefit Requirements</b>        |  |   |                    | <b>21</b>  |               |
| 1. Affordability<br>Restrictions             | <p><u>New Construction:</u></p> <p><b>Option 1: 100% Affordable Building up to 80% of AMI:</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/>(2) 10% of units at or below 50% of AMI and<br/>(3) 100% of total development units at or below 80% of AMI</p> <p><b>Option 2: 100% Affordable Building up to 120% of AMI:</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/>(2) the greater of 50 units or 50% of units in the development must be at or below 50% of AMI.<br/>(3) Remaining units may be up to 120% of AMI.</p> | <p><b>Threshold Requirements</b></p> <p>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1% below the minimum discount to market based on LACAHSA affordability standards under Option 1, up to a maximum of 10 points. <i>That is, assuming the LACAHSA affordability standards under Option 1, each unit will produce some</i></p> | <b>16</b>          |            |               |

| Senior Construction Loan      |  | Product Terms  | Selection Criteria | Max. Score | Project Score |
|-------------------------------|--|--|--------------------|------------|---------------|
|                               | <p>Units financed with LACAHSA financing all must be at or below 50% of AMI.</p> <p><b>Option 3: Mixed-Income Building (including units above 120% of AMI):</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/> (2) 10% of units at or below 50% of AMI and<br/> (3) Remaining LACAHSA-financed units at or below 80% of AMI</p> <p><u>Acquisition/Rehabilitation:</u><br/> Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely low-income households and 10 percent of units must be reserved for very low-income households.</p> <p><u>All Projects:</u><br/> Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance. Agency funds cannot be used in connection with any unit that is <i>solely</i> income restricted due to density bonus, development incentives, or similar programs (See Section 2(I) of this NOFA for details). All LACAHSA-funded units must be both income- and rent-restricted.</p> | <p><i>discount to market rents as measured by HUD FMR (i.e., the difference between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p>Add <b>6 points</b> for a 99-year affordability election.</p> |                    |            |               |
| 2. Project Labor Requirements | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project.  | N/A  |                    |            |               |

| Senior Construction Loan           |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|------------------------------------|--|---|--------------------|------------|---------------|
| 3. Resident Engagement             | For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.          | N/A   |                    |            |               |
| 4. Tenant Protections              | For acquisition/rehabilitation projects, no displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., <i>rent is greater than 50% of household income</i> ). | N/A   |                    |            |               |
| 5. Resident Services               | Sponsors will be required to provide resident services consistent with the tenant population and any special set asides (e.g., seniors, formerly homeless).  | <p><b>Point Scoring</b><br/>Add points for providing services consistent with LACAHSA standards as follows: <b>1 point</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 5 points.</p>   | <b>5</b>           |            |               |
| <b>F. Credit Risk Standards</b>    |  |   |                    | <b>45</b>  |               |
| 1. Sponsor/Guarantor               | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.   | N/A   |                    |            |               |
| a. Sponsor Experience/Track Record | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially.    | <p><b>Threshold Requirements</b><br/>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b><br/>(i) Add points as follows: <b>3 points</b> for at least 7 years of</p> | <b>6</b>           |            |               |

| Senior Construction Loan      |   | Product Terms  | Selection Criteria   | Max. Score | Project Score |
|-------------------------------|---|--|--|------------|---------------|
|                               |   |  | <p>development experience in California and <b>3 points</b> for at least 5 completed projects in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points, and <b>-1 point</b> for each portfolio project with DSCR below 1.0x, up to -5 points.</p> |            |               |
| b. Sponsor Financial Strength | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b><br/>Guarantor must have at least (i) \$6 million of net worth for private entities and \$2 million for 501I(3) entities and (ii) \$2 million of liquidity for private entities and \$500k for 501I(3) entities.</p> <p><b>Point Scoring</b><br/>Add <b>2 points</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for 501I(3) entities and <b>2 points</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for 501I(3) entities.</p> | <b>4</b>   |            |               |
| c. Sponsor Contribution       |   | <p><b>Point Scoring</b><br/>Add <b>1 point</b> for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 6 points.</p>  | <b>6</b>   |            |               |
| d. Required Guarantees        | Completion and Lease-Up   | N/A  |  |            |               |
| 2. Developer Fee Payments     | In the case of acquisition or Substantial Rehabilitation, cumulative pay-ins must be no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Permanent Conversion, 100% at Stabilization ( <i>defined as 90% economic occupancy for 3 months</i> ).                  | <p><b>Threshold Requirement</b><br/>In the case of new construction or major rehabilitation, does the model assume cumulative developer fee payments no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Stabilization (<i>defined as 90% economic occupancy for 3 months</i>), 100% at Permanent Conversion?</p>   |  |            |               |

| Senior Construction Loan              |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|---------------------------------------|--|---------------|---|------------|---------------|
|                                       |  |               | <b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 3. Construction/<br>Substantial Rehab |  |               |   |            |               |
| a. Plan and Cost<br>Review/Monitoring | Third-party plan and cost review and construction monitoring required ( <i>selected from list of LACAHSA-approved firms</i> ).   |               | N/A   |            |               |
| b. Bonding                            | Full payment and performance (“P&P”) bond required. LACAHSA may accept a letter of credit in lieu of a P&P bond on a case-by-case basis. However, for the purpose of NOFA selection, all Applications should assume P&P bond coverage. |               | N/A   |            |               |
| c. Contract Type                      | Guaranteed maximum price contract required.  |               | N/A   |            |               |
| d. Hard Cost Contingency              | Greater of 5% or plan and cost review recommendation for new construction. Greater of 10% or plan and cost review recommendation for rehabilitation.   |               | <b>Threshold Requirement</b><br>Does the model assume at least 5% hard cost contingency for new construction and 10% for rehabilitation?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>1 point</b> for each percentage point above the threshold requirement up to a maximum of 5 points. | <b>5</b>   |               |
| e. Soft Cost Contingency              | 3%   |               | <b>Threshold Requirement</b><br>Does the model assume at least 3% soft cost contingency?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>1 point</b> for each percentage point above the threshold requirement up to a maximum of 4 points.   | <b>4</b>   |               |
| f. Retainage                          | 10%  |               | N/A   |            |               |

| Senior Construction Loan          |   |   | Max. Score | Project Score |
|-----------------------------------|---|---|------------|---------------|
| Product Terms                     |   | Selection Criteria  |            |               |
| 4. Lease-Up                       | All lease-up assumptions to be verified via appraisal-derived lease-up estimates, including capture rate and absorption rate.   | N/A   |            |               |
| 5. Leverage                       |   |   |            |               |
| a. Max. Loan-to-Cost (LTC) Ratio  | 90% LTC on senior permanent financing<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)   | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTC ratios?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>For All-in LTC, add <b>1 point</b> for every 3 percentage points below the threshold requirement up to a maximum of 5 points.</p>  | 5          |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on senior permanent financing<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)   | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTV ratios?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>For All-in LTV, add <b>0.5 points</b> for every 5 percentage points below the threshold requirement, up to a maximum of 1 point.</p>   | 1          |               |
| 6. Operating Income               |   |   |            |               |
| a. Verification of Assumptions    | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario. | <p><b>Point Scoring</b><br/>(i) Add <b>1 point</b> for total operating expenses no higher than market study estimate and an additional <b>1 point</b> for total operating expenses at least 5% lower than market study estimate. (ii) Deduct points as follows: <b>-1 point</b> for income exceeding market study estimate by at least 5% and an additional <b>-1 point</b> for income exceeding market study estimate by at least 10%.</p> | 2          |               |
| b. Vacancy Assumptions            | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent  | <p><b>Threshold Requirement</b><br/>Does the model assume at least 5% or 10% vacancy as applicable by unit type?</p>  | 2          |               |

| Senior Construction Loan           |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|------------------------------------|--|---------------|--|------------|---------------|
|                                    | supportive housing units, which requires the greater of 10% or appraisal figure).  |               | <b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.                                   |               | <b>Threshold Requirement</b><br>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>2 points</b> for 2% annual income trending and 3% annual expense trending. | <b>2</b>   |               |
| 7. Operating Expenses              |  |               |  |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.                                     | N/A           |  |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption. | N/A           |  |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.  |               | <i>See F(6)(c) above</i>   |            |               |
| 8. Debt Service Coverage (DSC)     |  |               |  |            |               |
| a. Senior Coverage                 | 1.15x minimum<br><br>(Senior debt must have a term of no less than 10 years and an amortization period of no more than 40 years)             |               | <b>Threshold Requirement</b><br>Does the model assume at least 1.15x DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>0.5 points</b> for every 0.05x coverage over the requirement above, up to a maximum of 2 points.                     | <b>2</b>   |               |
| b. All-in Coverage                 | 1.05x minimum  |               | <b>Threshold Requirement</b><br>Does the model assume at least 1.05x all-in DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 9. Reserves                        |  |               |  |            |               |
| a. Debt Service Reserve            | As determined by perm lender.  | N/A           |  |            |               |

| Senior Construction Loan          |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-----------------------------------|--|---|--------------------|------------|---------------|
| b. Replacement Reserve            | Greater of \$300/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment.  | <p><b>Threshold Requirement</b></p> <p>Is replacement reserve sized at a minimum of \$300/unit/year?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |                    |            |               |
| c. Operating Reserve              | As determined by perm lender   | N/A   |                    |            |               |
| d. Capitalized Interest Reserve   | Sized at Construction/Rehab Period + Lease-up Period + 3-Month Cushion (Construction/Rehab and Lease-up periods to be verified by plan and cost review and appraisal, respectively), assuming the greater of 50% average outstanding loan balance or monthly spending projections. For variable-rate loans, LACAHSA will add a 100-basis point cushion to the all-in rate as of closing. | <p><b>Threshold Requirement</b></p> <p>Does reserve sizing meet LACAHSA Interest Reserve Requirements?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add <b>0.5 points</b> for each additional month of cushion, up to a maximum of 2 points.</p>   | <b>2</b>           |            |               |
| 10. Property Management/ Services |  |   |                    |            |               |
| a. Manager Experience             | Property manager to be reviewed and approved by LACAHSA prior to closing.  | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> for at least 7 years of income restricted property management experience in California and <b>1 point</b> for at least 5 income restricted projects managed in California in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years.</p> | <b>2</b>           |            |               |
| b. Service Provider Experience    | Any social service providers to be reviewed and approved by LACAHSA prior to closing.  | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> for at least 7 years of services experience in California and <b>1 point</b> for at least 5 projects served in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for</p>   | <b>2</b>           |            |               |

| Senior Construction Loan                   |  | Product Terms   | Selection Criteria  | Max. Score | Project Score |
|--|--|---|---|------------|---------------|
|  |  |   | less than 2 projects served in Los Angeles County in the past 15 years. |            |               |
| c. Services Plan and Budget                | Where social services provided, full services plan and budget will be required prior to closing. | N/A   |   |            |               |
| <b>G. Efficiency Standards</b>             |  |   |   | <b>10</b>  |               |
| 1. Sponsor/Related Party Capital           | <i>See Selection Criteria</i>  | <p><b>Point Scoring</b><br/>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-1 points</b> for every percentage point of interest rate on such a loan above 9%.</p> |   |            |               |
| 2. Developer Fee                           | Projects to comply with LACAHSA Developer Fee Standards.   | <p><b>Threshold Requirement</b><br/>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |   |            |               |
| 3. Cost Containment                        | <i>See Selection Criteria</i>  | <p><b>Point Scoring</b><br/>Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.</p>  | <b>10</b>   |            |               |
| <b>H. Tie Breakers (Order of Priority)</b> |  |   |   |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i>  | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)   |   |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i>  | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark  |   |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i>  | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist  |   |            |               |

| Document Checklist  |                          |
|---|--------------------------|
| Required Documents  | Provided?                |
| <b>1. Organizational and Eligibility</b>                      |                          |
| Articles/Bylaws/501I(3), Good Standing                        | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI                         | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs                       | <input type="checkbox"/> |
| Public resolution; Housing Element/AFFH (if public)           | <input type="checkbox"/> |
| <b>2. Real Estate &amp; Land Use</b>                          |                          |
| Site control, prelim title, ALTA                              | <input type="checkbox"/> |
| Zoning status/approvals, permits (if any)                     | <input type="checkbox"/> |
| Will-serve/utilities, flood                                   | <input type="checkbox"/> |
| <b>3. Environmental Compliance</b>                            |                          |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS)    | <input type="checkbox"/> |
| Phase I/II ESA; mitigation matrix                             | <input type="checkbox"/> |
| <b>4. Design/Construction/Labor (Readiness)</b>               |                          |
| Prelim Plans/specs; schedule                                  | <input type="checkbox"/> |
| Plan & cost review; GMP/bids (if any)                         | <input type="checkbox"/> |
| GC quals; Prevailing Wage/PLA; ADA                            | <input type="checkbox"/> |
| <b>5. Rehabilitation &amp; Physical Needs (If Applicable)</b> |                          |
| PNA + component reports; rehab scope                          | <input type="checkbox"/> |
| Engineering/seismic   | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>                           |                          |
| Uniform Workbook; S&U; pro forma                              | <input type="checkbox"/> |
| Appraisal/cost; market study                                  | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                               | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations</b>          |                          |
| Draft regulatory agreement; rent schedule                     | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                    | <input type="checkbox"/> |
| SNDA (if any)   | <input type="checkbox"/> |
| <b>8. Resident Impacts &amp; Services (If Applicable)</b>     |                          |
| Community outreach; engagement plan (A/R)                     | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                      | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)              | <input type="checkbox"/> |
| <b>9. Product-Specific Supplements</b>                        |                          |

| Document Checklist      |                          |
|-------------------------|--------------------------|
| Required Documents      | Provided?                |
| Construction Term Sheet | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-3]

**Exhibit C-3: Product Terms, Scorecard, and Document Checklist**  
**Senior Permanent Loan**

| Senior Permanent Loan                      |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|--|---|--|--------------------|------------|---------------|
| <b>A. Purpose &amp; Form of Assistance</b> |   |  |                    |            |               |
| 1. Purpose & Form of Assistance            | Provide long-term financing for stabilized new-construction projects and Substantial Rehabilitation projects with available forward commitment.   |  |                    |            |               |
| <b>B. Eligibility</b>                      |   |  |                    | 22         |               |
| 1. Projects                                | New construction and Substantial Rehabilitation projects; May finance LIHTC (9% and 4%) and non-LIHTC; Preference for new construction  | <p><b>Threshold Requirements</b><br/>           Is this a new-construction or major acquisition/rehabilitation project without LACAHSA Senior Construction Loan financing, with or without LIHTC financing?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p><b>Point Scoring</b><br/>           Add <b>6 points</b> for new-construction projects.</p>    |                    | 6          |               |
| 2. Owners                                  | Eligible Nonprofits, Private Entities; Preference for New-Construction Projects and projects 100% owned by Eligible Nonprofits  | <p><b>Threshold Requirements</b><br/>           Is the project owned by either an Eligible Nonprofit entity or a Private Entity?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p><b>Point Scoring</b><br/>           Add <b>6 points</b> for projects that will be 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible)</p> |                    | 6          |               |
| 3. Readiness to Proceed                    | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's | <p><b>Threshold Requirements</b><br/>           Is the project ready to proceed within the required timeframe based on the following?</p> <p>(i) Complete pro forma financial model;<br/>           (ii) Preliminary financing commitments from at least 80% of non-LACAHSA sources;</p>   |                    | 10         |               |

| Senior Permanent Loan             |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|--|---------------|---|------------|---------------|
|                                   | Readiness to Proceed Checklist) within 12 months of award. |               | <p>(iii) Evidence of site control;<br/>         (iv) Site development plan provided;<br/>         (v) Evidence of appropriate zoning;<br/>         (vi) Market study provided;<br/>         (vii) Physical needs assessment (for rehab projects) provided<br/>         (viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</p> <p><b>If YES to all, proceed</b><br/> <b>If NO to any, disqualified</b></p> <p><b><u>Point Scoring</u></b><br/>         Add points for the following:</p> <p>(i) Full architectural drawings by licensed architect (<b>2 points</b>);<br/>         (ii) Preliminary environmental reports (e.g., Phase I) and a plan to complete necessary additional steps within the required timeframe (<b>2 Points</b>);<br/>         (iii) General contractor (a) has been engaged (<b>1 point</b>), (b) has helped develop the construction/rehab budget (<b>1 additional point</b>), is bound by a fully executed contract (<b>1 additional point</b>);<br/>         (iv) All permits or permit-ready letters (subject only to payment of fees) in hand (<b>3 points</b>)</p> |            |               |
| <b>C. Loan Size and Structure</b> |  |               |   | <b>2</b>   |               |
| 1. Maximum Amount                 | \$25,000,000   |               | <p><b>Threshold Requirement</b><br/>         Is the funding amount less than or equal to \$25,000,000?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>  |            |               |
| 2. Term                           | 15 to 40 years   |               | <p><b>Threshold Requirement</b><br/>         Is the term between 15 and 40 years?</p> <p><b>If YES, proceed</b></p>   | <b>2</b>   |               |

| Senior Permanent Loan            |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|---|---------------|--|------------|---------------|
|                                  |   |               | <p><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>Add 2 points for terms of 17 years or less</p>   |            |               |
| 3. Maximum Amortization          | 40 years  |               | <p><b>Threshold Requirement</b><br/>Is amortization no more than 40 years?</p> <p><b>If YES, proceed</b></p> <p><b>If NO, disqualified</b></p>   |            |               |
| 4. Interest Rate                 | SLGS + 50 Basis Points  |               | <p><b>Threshold Requirement</b><br/>Does the model assume the proper interest rate based on the LACAHSA NOFA Rate Chart given the rate mode, product type, and term?</p> <p><b>If YES, proceed</b></p> <p><b>If NO, disqualified</b></p> |            |               |
| 5. Rate Lock/ Commitment Options | <p><u>Immediate Delivery:</u> Rate lock up to 90 days prior to closing (<i>final rate includes lookback option to select the lowest index rate during the 90-day period</i>)</p> <p><u>Forward Commitment:</u> Up to 36 months prior to closing</p>                                     |               | N/A  |            |               |
| 6. Conversion Requirements       | 90% occupancy for 90 days   |               | N/A  |            |               |
| 7. Prepayment Lockout/Penalties  | No prepayment lockout or penalties  |               | N/A  |            |               |
| 8. Recourse                      | Non-recourse, subject to exceptions for fraud, misrepresentation, etc. ( <i>so-called "bad acts carveouts"</i> )  |               | N/A  |            |               |
| 9. Security                      | Senior lien on real property; LACAHSA will not subordinate to other lenders   |               | N/A  |            |               |
| <b>D. Loan Costs</b>             |   |               |  |            |               |
| 1. Application Deposit           | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products, no additional deposit is required. |               | N/A  |            |               |

| Senior Permanent Loan                 |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|---------------------------------------|---|--|--------------------|------------|---------------|
| 2. Upfront Origination Fee            | 1% of total loan amount   | <p><b>Threshold Requirement</b></p> <p>Does the model assume a 1% origination fee?</p> <p>If YES, proceed<br/>If NO, disqualified</p>  |                    |            |               |
| 3. Forward Commitment Fee             | 1 basis point added to permanent loan rate per month of forward commitment; Length of forward commitment to be determined by LACAHSA based on construction schedule, lease-up assumptions (verified by the appraisal), plus a 2-month cushion   | <p><b>Threshold Requirement</b></p> <p>Does the model assume the proper Forward Commitment Fee?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |                    |            |               |
| 4. Extension Fee                      | 2-basis point fee for each month the conversion date is delayed   | N/A  |                    |            |               |
| 5. Lender Closing Costs               | Borrower to pay LACAHSA legal and advisory costs at closing   | <p><b>Threshold Requirement</b></p> <p>Does the model assume proper lender closing costs based on LACAHSA Standard Closing Cost Assumptions?</p> <p>If YES, proceed<br/>If NO, disqualified</p>  |                    |            |               |
| 6. Annual Compliance Monitoring Costs | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> )  | <p><b>Threshold Requirement</b></p> <p>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?</p> <p>If YES, proceed<br/>If NO, disqualified</p>  |                    |            |               |
| <b>E. Public Benefit Requirements</b> |   |  |                    |            | <b>21</b>     |
| 1. Affordability Restrictions         | <p><b>New Construction:</b></p> <p><b>Option 1: 100% Affordable Building up to 80% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) 10% of units at or below 50% of AMI and<br/>           (3) 100% of total development units at or below 80% of AMI</p> <p><b>Option 2: 100% Affordable Building up to 120% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) the greater of 50 units or 50% of units in the development must be at or below 50% of AMI.</p> | <p><b>Threshold Requirements</b></p> <p>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1%</p> | <b>16</b>          |            |               |

| Senior Permanent Loan | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|-----------------------|--|---|------------|---------------|
|                       | <p>(3) Remaining units may be up to 120% of AMI. Units financed with LACAHSA financing all must be at or below 50% of AMI.</p> <p><b>Option 3: Mixed-Income Building (including units above 120% of AMI):</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/> (2) 10% of units at or below 50% of AMI and<br/> (3) Remaining LACAHSA-financed units at or below 80% of AMI</p> <p><u>Acquisition/Rehabilitation:</u><br/> Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely low-income households and 10 percent of units must be reserved for very low-income households.</p> <p><u>All Projects:</u><br/> Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance. Agency funds cannot be used in connection with any unit that is <i>solely</i> income restricted due to density bonus, development incentives, or similar programs (See Section 2(I) of this NOFA for details). All LACAHSA-funded units must be both income- and rent-restricted.</p> | <p>below the minimum discount to market based on LACAHSA affordability standards under <b>Option 1</b>, up to a maximum of 10 points. <i>That is, assuming the LACAHSA affordability standards under Option 1, each unit will produce some discount to market rents as measured by HUD FMR (i.e., the difference between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p>Add <b>6 points</b> for a 99-year affordability election.</p> |            |               |

| Senior Permanent Loan              |  | Product Terms  | Selection Criteria | Max. Score | Project Score |
|------------------------------------|--|--|--------------------|------------|---------------|
| 2. Project Labor Requirements      | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project. <b>These requirements apply when LACAHSA provides a forward commitment during construction or rehabilitation, even when there is no LACAHSA financing provided during the construction/rehabilitation phase.</b> | N/A  |                    |            |               |
| 3. Resident Engagement             | For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.  | N/A  |                    |            |               |
| 4. Tenant Protections              | For acquisition/rehabilitation projects, no displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., <i>rent is greater than 50% of household income</i> ).   | N/A  |                    |            |               |
| 5. Resident Services               | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., seniors, formerly homeless).   | <b>Point Scoring</b><br>Add points for providing services consistent with LACAHSA standards as follows: <b>1 point</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 5 points.                    | <b>5</b>           |            |               |
| <b>F. Credit Risk Standards</b>    |  |  |                    | <b>45</b>  |               |
| 1. Sponsor/Guarantor               |  |  |                    |            |               |
| a. Sponsor Experience/Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.   | <b>Threshold Requirements</b><br>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in | <b>4</b>           |            |               |

| Senior Permanent Loan         |   | Product Terms  | Selection Criteria   | Max. Score | Project Score |
|-------------------------------|---|--|--|------------|---------------|
|                               |   |  | <p>California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>2 points</b> for at least 7 years of development experience in California and <b>2 points</b> for at least 5 completed projects in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points, and <b>-1 point</b> for each portfolio project with DSCR below 1.0x, up to -5 points.</p> |            |               |
| b. Sponsor Financial Strength | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b></p> <p>Sponsor must have at least (i) \$3 million of net worth for private entities and \$1 million for Eligible Nonprofit entities and (ii) \$1 million of liquidity for private entities and \$500k for Eligible Nonprofit entities.</p> <p><b>Point Scoring</b></p> <p>Add <b>0.5 points</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities and <b>0.5 points</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.</p> | <b>1</b>   |            |               |
| c. Sponsor Contribution       | <i>See Selection Criteria</i>   | <b>Point Scoring</b>   | Add <b>1 point</b> for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 4 points.  | <b>4</b>   |               |
| 2. Leverage                   |   |  |  |            |               |

| Senior Permanent Loan             |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-----------------------------------|---|---|--------------------|------------|---------------|
| a. Max. Loan-to-Cost (LTC) Ratio* | 90% LTC on LACAHSA Senior Permanent Loan<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)  | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTC ratios?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>For Senior Permanent Loan LTC, add <b>0.5 points</b> for every 5 percentage points below the threshold requirement up to a maximum of 1 point.</p>   |                    | 1          |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on LACAHSA Senior Permanent Loan<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)  | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTC ratios?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>For Senior Permanent Loan LTV, add <b>2 points</b> for every 2.5 percentage points below the threshold requirement, up to a maximum of 8 points.</p>   |                    | 8          |               |
| 3. Operating Income               |   |   |                    |            |               |
| a. Verification of Assumptions    | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario. | <p><b>Point Scoring</b><br/>(i) Add <b>1 point</b> for total operating expenses no higher than market study estimate and an additional <b>1 point</b> for total operating expenses at least 5% lower than market study estimate. (ii) Deduct points as follows: <b>-1 point</b> for income exceeding market study estimate by at least 5% and an additional <b>-1 point</b> for income exceeding market study estimate by at least 10%.</p> |                    | 2          |               |
| b. Vacancy Assumptions            | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure).      | <p><b>Threshold Requirement</b><br/>Does the model assume at least 5% or 10% vacancy as applicable by unit type?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>  |                    | 4          |               |

| Senior Permanent Loan              |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|------------------------------------|--|---|--------------------|------------|---------------|
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.                                   | <p><b>Threshold Requirement</b><br/>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?<br/>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b><br/>Add <b>3 points</b> for 2% annual income trending and 3% annual expense trending.</p> |                    | <b>3</b>   |               |
| 4. Operating Expenses              |  |   |                    |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.                                     | N/A   |                    |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption. | N/A   |                    |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.  | <i>See F(3)(c) above</i>  |                    |            |               |
| 5. Debt Service Coverage (DSC)     |  |   |                    |            |               |
| a. Senior Coverage                 | 1.15x minimum  | <p><b>Threshold Requirement</b><br/>Does the model assume at least 1.15x DSC?<br/>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b><br/>Add <b>1 point</b> for every 0.05x coverage over the requirement above, up to a maximum of 4 points.</p>                        | <b>4</b>           |            |               |
| b. All-in Coverage                 | 1.05x minimum  | <p><b>Threshold Requirement</b><br/>Does the model assume at least 1.05x all-in DSC?<br/>If YES, proceed<br/>If NO, disqualified</p>  |                    |            |               |
| 6. Reserves                        |  |   |                    |            |               |
| a. Debt Service Reserve            | Minimum of 6 months' MADS  | <p><b>Threshold Requirement</b><br/>Is debt service reserve sized at a minimum of 6 months?</p>   | <b>3</b>           |            |               |

| Senior Permanent Loan           |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|---------------------------------|---|---------------|--|------------|---------------|
|                                 |   |               | <b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| b. Replacement Reserve          | Greater of \$300/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment. |               | <b>Threshold Requirement</b><br>Is replacement reserve sized at a minimum of \$300/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  | <b>4</b>   |               |
| c. Operating Reserve            | Minimum 3 months  |               | <b>Threshold Requirement</b><br>Is the operating reserve sized at a minimum of 3 months' operating expenses?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | <b>3</b>   |               |
| 7. Property Management/Services |   |               |  |            |               |
| a. Manager Experience           | Property manager to be reviewed and approved by LACAHSA prior to closing.                                   |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of income restricted property management experience in California and <b>1 point</b> for at least 5 income restricted projects managed in California in the past 15 years.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years. | <b>2</b>   |               |
| b. Service Provider Experience  | Any social service providers to be reviewed and approved by LACAHSA prior to closing.                       |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of services experience in California and <b>1 point</b> for at least 5 projects served in Los Angeles County in the past 15 years.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1</b>   | <b>2</b>   |               |

| Senior Permanent Loan                      |  | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|--|--|---|--|------------|---------------|
|  |  |   | <b>point</b> for less than 2 projects served in Los Angeles County in the past 15 years. |            |               |
| c. Services Plan and Budget                | Where social services provided, full services plan and budget will be required prior to closing. | N/A   |  |            |               |
| <b>G. Efficiency Standards</b>             |  |   |  | <b>10</b>  |               |
| 1. Sponsor/Related Party Capital           | <i>See Selection Criteria</i>  | <p><b>Point Scoring</b><br/>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-1 points</b> for every percentage point of interest rate on a such a loan above 9%.</p> |  | <b>0</b>   |               |
| 2. Developer Fee                           | Projects to comply with LACAHSA Developer Fee Standards.   | <p><b>Threshold Requirement</b><br/>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>  |  |            |               |
| 3. Cost Containment                        | <i>See Selection Criteria</i>  | <p><b>Point Scoring</b><br/>Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.</p>  |  | <b>10</b>  |               |
| <b>H. Tie Breakers (Order of Priority)</b> |  |   |  |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i>  | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)   |  |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i>  | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark  |  |            |               |

| Senior Permanent Loan |                               | Product Terms | Selection Criteria   | Max. Score | Project Score |
|-----------------------|-------------------------------|---------------|--|------------|---------------|
| 3. Greatest Readiness | <i>See Selection Criteria</i> |               | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist |            |               |

| Document Checklist   |                          |
|--|--------------------------|
| Required Documents   | Provided?                |
| <b>1. Organizational and Eligibility</b>                   |                          |
| Articles/Bylaws/501I(3), Good Standing                     | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI                      | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs                    | <input type="checkbox"/> |
| Public resolution; Housing Element/AFFH (if public)        | <input type="checkbox"/> |
| <b>2. Real Estate &amp; Land Use</b>                       |                          |
| Site control, prelim title, ALTA                           | <input type="checkbox"/> |
| Zoning status/approvals, permits (if any)                  | <input type="checkbox"/> |
| Will-serve/utilities, flood                                | <input type="checkbox"/> |
| <b>3. Environmental Compliance (Status)</b>                |                          |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS) | <input type="checkbox"/> |
| Phase I/II ESA; mitigation matrix                          | <input type="checkbox"/> |
| <b>4. Design/Construction/Labor (Readiness)</b>            |                          |
| Prelim Plans/specs; schedule                               | <input type="checkbox"/> |
| Plan & cost review; GMP/bids (if any)                      | <input type="checkbox"/> |
| GC quals; Prevailing Wage/PLA; ADA                         | <input type="checkbox"/> |
| <b>5. Rehabilitation &amp; Physical Needs (Rehab Only)</b> |                          |
| PNA + component reports; rehab scope                       | <input type="checkbox"/> |
| Engineering/seismic  | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>                        |                          |
| Uniform Workbook; S&U; pro forma                           | <input type="checkbox"/> |
| Appraisal/cost; market study                               | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                            | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations</b>       |                          |
| Draft regulatory agreement; rent schedule                  | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                 | <input type="checkbox"/> |
| SNDA (if any)  | <input type="checkbox"/> |

| <b>8. Resident Impacts &amp; Services (If Applicable)</b> |                          |
|---|--------------------------|
| Community outreach; engagement plan (A/R)                 | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                  | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)          | <input type="checkbox"/> |
| <b>9. Product-Specific Supplements</b>                    |                          |
| Perm. Commitment  | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-4]

**Exhibit C-4: Product Terms, Scorecard, and Document Checklist**  
***Subordinate B-Note***

| <i>Subordinate B-Note</i>                  | <b>Product Terms</b>   | <b>Selection Criteria</b>  | <b>Max. Score</b> | <b>Project Score</b> |
|--|--|--|-------------------|----------------------|
| <b>A. Purpose &amp; Form of Assistance</b> |  |  |                   |                      |
| 1. Purpose & Form of Assistance            | Provide subordinate, repayable gap financing for eligible projects beginning at close of construction/rehabilitation financing.  | N/A  |                   |                      |
| <b>B. Eligibility</b>                      |  |  | <b>24</b>         |                      |
| 1. Projects                                | New-construction, acquisition, and acquisition/rehabilitation (including both Substantial and Light Rehabilitation) projects; Preference for new construction  | <p><b>Threshold Requirements</b><br/>           Is this a new-construction, acquisition, or acquisition/rehabilitation project?<br/> <b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>           Add <b>5 points</b> for new-construction projects.<br/>           Add <b>4 points</b> for non-LIHTC projects.</p>         | <b>9</b>          |                      |
| 2. Owners                                  | Eligible Nonprofits, Private Entities; Preference for projects 100% owned by Eligible Nonprofits<br><br>See <a href="#">EXHIBIT I</a> for detailed repayment terms (during the loan term and at a capital event) by type of owner. | <p><b>Threshold Requirements</b><br/>           Is the project owned by either an Eligible Nonprofit entity or a Private Entity?<br/> <b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>           Add <b>5 points</b> for projects 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible).</p> | <b>5</b>          |                      |
| 3. Readiness to Proceed                    | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Readiness to Proceed Checklist) within 12 months of award.                   | <p><b>Threshold Requirements</b><br/>           Is the project ready to proceed within the required timeframe based on the following?<br/>           (i) Complete pro forma financial model;<br/>           (ii) Preliminary financing commitments from all non-LACAHSA funders;</p>   | <b>10</b>         |                      |

| Subordinate B-Note                | Product Terms                                       | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|---|---|------------|---------------|
|                                   |   | <p>(iii) Evidence of site control;<br/> (iv) Site development plan provided;<br/> (v) Evidence of appropriate zoning;<br/> (vi) Market study provided;<br/> (vii) Physical needs assessment (for rehab projects) provided<br/> (viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</p> <p>If YES to all, proceed<br/> If NO to any, disqualified</p> <p><b>Point Scoring</b></p> <p>Add points for the following:</p> <p>(i) Full architectural drawings by licensed architect <b>(2 points)</b>;<br/> (ii) Full environmental clearance with no further action required <b>(2 Points)</b>;<br/> (iii) General contractor (a) has been engaged <b>(1 point)</b>, (b) has helped develop the construction/rehab budget <b>(1 additional point)</b>, is bound by a fully executed contract <b>(1 additional point)</b>;<br/> (iv) All permits or permit-ready letters (subject only to payment of fees) in hand <b>(3 points)</b></p> |            |               |
| <b>C. Loan Size and Structure</b> |   |   |            |               |
| 1. Maximum Loan Amount            | \$15,000,000  | <p><b>Threshold Requirement</b></p> <p>Is the funding amount less than or equal to \$15,000,000?</p> <p>If YES, proceed<br/> If NO, disqualified</p>  |            |               |
| 2. Term                           | Up to 40 years; May be coextensive with senior debt | <p><b>Threshold Requirement</b></p> <p>Is the term less than 40 years?</p> <p>If YES, proceed<br/> If NO, disqualified</p>  |            |               |

| Subordinate B-Note              | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|---------------------------------|--|---|------------|---------------|
| 3. Interest Rate                | 3% simple interest   | <p><b>Threshold Requirement</b></p> <p>Does the model assume the proper interest rate based on the LACAHSA NOFA Rate Chart product type, and term?</p> <p>If YES, proceed<br/>If NO, disqualified</p> |            |               |
| 4. Commitment Options           | <i>N/A – Immediate delivery</i>  | N/A   |            |               |
| 5. Conversion Requirements      | Set by permanent lender; Must be acceptable to LACAHSA   | N/A   |            |               |
| 6. Prepayment Lockout/Penalties | No prepayment lockout or penalties   | N/A   |            |               |
| 7. Recourse                     | Non-recourse, subject to exceptions for fraud, misrepresentation, etc. ( <i>so-called “bad acts carveouts”</i> )   | N/A   |            |               |
| 8. Security                     | Junior lien on real property ( <i>preferably second position</i> )   | N/A   |            |               |
| 9. Repayment During the Term    | Repayment of the LACAHSA note during the term will be from 50% of available cash flow after payment of operating costs, compliance fees, reserves, senior debt service, and developer fee. Unpaid interest will accrue. See <a href="#">EXHIBIT I</a> for additional detail on repayment terms by entity type.   | <p><b>Threshold Requirement</b></p> <p>Does the model assume 50% of net cash flow to be used to repay the LACAHSA loan?</p> <p>If YES, proceed<br/>If NO, disqualified</p>                            |            |               |
| 10. Repayment at Capital Event  | Repayment of the principal balance of the LACAHSA note at a Capital Event (defined as refinance, sale, or resyndication of tax credits) will be the lesser of (a) the remaining outstanding principal balance or (b) 35% of net proceeds (defined as Capital Event proceeds after repayment of first mortgage, transaction costs, developer fee, and accrued LACAHSA interest). See <a href="#">EXHIBIT I</a> for additional detail on repayment terms by entity type. | <p><b>Threshold Requirement</b></p> <p>Does the model assume repayment of LACAHSA principal balance at capital event, up to 35% of net proceeds?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |            |               |
| <b>D. Loan Costs</b>            |  |   |            |               |

| Subordinate B-Note                    | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|---------------------------------------|--|---|------------|---------------|
| 1. Application Deposit                | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and an additional \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products for the same project, no additional deposit is required. | N/A   |            |               |
| 2. Upfront Origination Fee            | 1% of total loan amount  | <b>Threshold Requirement</b><br>Does the model assume a 1% origination fee?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Forward Commitment Fee             | <i>N/A – Immediate delivery</i>  | N/A   |            |               |
| 4. Extension Fee                      | <i>N/A – Immediate delivery</i>  | N/A   |            |               |
| 5. Lender Closing Costs               | Borrower to pay LACAHSA legal and advisory costs at closing  | <b>Threshold Requirement</b><br>Does the model assume proper lender closing costs based on LACAHSA Standard Closing Cost Assumptions?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                         |            |               |
| 6. Annual Compliance Monitoring Costs | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> ), payable prior to first mortgage debt service.  | <b>Threshold Requirement</b><br>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| <b>E. Public Benefit Requirements</b> |  |   | <b>21</b>  |               |
| 1. Affordability Restrictions         | <b>New Construction:</b><br><b>Option 1: 100% Affordable Building up to 80% of AMI:</b><br>(1) 10% of units at or below 30% of AMI and<br>(2) 10% of units at or below 50% of AMI and<br>(3) 100% of total development units at or below 80% of AMI  | <b>Threshold Requirements</b><br>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>        | <b>16</b>  |               |

| Subordinate B-Note | Product Terms  | Selection Criteria   | Max. Score | Project Score |
|--------------------|--|--|------------|---------------|
|                    | <p><b>Option 2: 100% Affordable Building up to 120% of AMI:</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/> (2) the greater of 50 units or 50% of units in the development must be at or below 50% of AMI.<br/> (3) Remaining units may be up to 120% of AMI.</p> <p>Units financed with LACAHSA financing all must be at or below 50% of AMI.</p> <p><b>Option 3: Mixed-Income Building (including units above 120% of AMI):</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/> (2) 10% of units at or below 50% of AMI and<br/> (3) Remaining LACAHSA-financed units at or below 80% of AMI</p> <p><u>Acquisition/Rehabilitation:</u><br/> Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely low-income households and 10 percent of units must be reserved for very low-income households.</p> <p><u>All Projects:</u><br/> Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance. Agency funds cannot be used in connection with any unit that is <i>solely</i> income restricted due to density bonus, development incentives, or similar programs (See Section 2(l) of this NOFA for details). All LACAHSA-funded units must be both income- and rent-restricted.</p> | <p><b>Point Scoring</b></p> <p>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1% below the minimum discount to market based on LACAHSA affordability standards under <b>Option 1</b>, up to a maximum of 10 points. <i>That is, assuming the LACAHSA affordability standards under Option 1, each unit will produce some discount to market rents as measured by HUD FMR (i.e., the difference between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p>Add <b>6 points</b> for a 99-year affordability election.</p> |            |               |

| Subordinate B-Note                  |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|---|---|--------------------|------------|---------------|
| 2. Project Labor Requirements       | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project. <b>These requirements apply when LACAHSA provides a forward commitment during construction or rehabilitation, even when there is no LACAHSA financing provided during the construction/ rehabilitation phase.</b> | N/A   |                    |            |               |
| 3. Resident Engagement              | For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.   | N/A   |                    |            |               |
| 4. Tenant Protections               | For acquisition/rehabilitation projects, no displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., rent is greater than 50% of household income).  | N/A   |                    |            |               |
| 5. Resident Services                | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., seniors, formerly homeless).  | <b>Point Scoring</b><br>Add points for providing services consistent with LACAHSA standards as follows: <b>1 point</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 5 points. | <b>5</b>           |            |               |
| <b>F. Credit Risk Standards</b>     |   |   |                    |            | <b>45</b>     |
| 1. Sponsor/Guarantor                |   |   |                    |            |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references,   | <b>Threshold Requirements</b><br>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a   | <b>4</b>           |            |               |

| Subordinate B-Note            | Product Terms   | Selection Criteria  | Max. Score | Project Score |
|-------------------------------|---|---|------------|---------------|
|                               | and similar information for compliance with LACAHSA standards.  | <p>minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>2 points</b> for at least 7 years of development experience (affordable or market rate) in California and <b>2 points</b> for at least 5 completed projects in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points, and <b>-1 point</b> for each portfolio project with DSCR below 1.0x, up to -5 points.</p> |            |               |
| b. Sponsor Financial Strength | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure ownership entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b></p> <p>Sponsor must have at least (i) \$3 million of net worth for private entities and \$1 million for Eligible Nonprofit entities and (ii) \$1 million of liquidity for private entities and \$500k for Eligible Nonprofit entities.</p> <p><b>Point Scoring</b></p> <p>Add <b>0.5 points</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for 501l(3) entities and <b>0.5 points</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.</p>   | <b>1</b>   |               |
| c. Sponsor Contribution       |   | <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 4 points.</p>  | <b>4</b>   |               |

| Subordinate B-Note                 | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|------------------------------------|--|---|------------|---------------|
| 2. Developer Fee Payments          | In the case of acquisition or Substantial Rehabilitation, cumulative pay-ins must be no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Permanent Conversion, 100% at Stabilization ( <i>defined as 90% economic occupancy for 3 months</i> ). | <p><b>Threshold Requirement</b></p> <p>In the case of new construction or major rehabilitation, does the model assume cumulative developer fee payments no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Stabilization (defined as 90% economic occupancy for 3 months), 100% at Permanent Conversion?</p> <p>If YES, proceed<br/>If NO, disqualified</p> |            |               |
| 3. Construction/ Substantial Rehab | <b>Terms only apply if the Financing Product will be contributed prior to Stabilization.</b>   |   |            |               |
| a. Plan and Cost Review/Monitoring | Third-party plan and cost review required ( <i>either performed by a reviewer from the LACAHSA-approved list or by a reviewer selected by a third-party senior lender</i> ).   | N/A   |            |               |
| b. Bonding                         | Full payment and performance ("P&P") bond required. LACAHSA may accept a letter of credit in lieu of a P&P bond on a case-by-case basis. However, for the purpose of NOFA selection, all Applications should assume P&P bond coverage.   | N/A   |            |               |
| c. Contract Type                   | Guaranteed maximum price contract required.  | N/A   |            |               |
| d. Hard Cost Contingency           | For New Construction or Substantial Rehabilitation Projects, greater of 5% or plan and cost review recommendation.   | <p><b>Threshold Requirement</b></p> <p>In the case of New Construction or Substantial Rehabilitation, does the model assume at least 5% hard cost contingency?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |            |               |
| e. Soft Cost Contingency           | 3%   | <p><b>Threshold Requirement</b></p> <p>In the case of new construction or major rehabilitation, does the model assume at least 3% soft cost contingency?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |            |               |

| Subordinate B-Note                |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|-----------------------------------|---|---------------|--|------------|---------------|
| f. Retainage                      | 10%   |               | N/A  |            |               |
| 4. Lease-Up                       | All lease-up assumptions to be verified via appraisal-derived lease-up estimates, including capture rate and absorption rate. |               | N/A  |            |               |
| 5. Leverage                       |   |               |  |            |               |
| a. Max. Loan-to-Cost (LTC) Ratio  | 90% LTC on senior permanent financing<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)                     |               | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTC ratios?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>For all-in LTC, add <b>0.5 points</b> for every 5 percentage points below the threshold requirement up to a maximum of 1 point.</p>   | <b>1</b>   |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on senior permanent financing<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)                     |               | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTV ratios?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>For all-in LTV, add <b>2 points</b> for every 2.5 percentage points below the threshold requirement, up to a maximum of 8 points.</p> | <b>8</b>   |               |
| 6. Operating Income               |   |               |  |            |               |

| Subordinate B-Note                 |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|------------------------------------|---|--|--------------------|------------|---------------|
| a. Verification of Assumptions     | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario. | <p><b>Point Scoring</b></p> <p>(i) Add <b>1 point</b> for total operating expenses no higher than market study estimate and an additional <b>1 point</b> for total operating expenses at least 5% lower than market study estimate. (ii) Deduct points as follows: <b>-1 point</b> for income exceeding market study estimate by at least 5% and an additional <b>-1 point</b> for income exceeding market study estimate by at least 10%.</p> |                    | <b>2</b>   |               |
| b. Vacancy Assumptions             | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure).      | <p><b>Threshold Requirement</b></p> <p>Does the model assume at least 5% or 10% vacancy as applicable by unit type?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>   |                    | <b>4</b>   |               |
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.  | <p><b>Threshold Requirement</b></p> <p>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b></p> <p>Add <b>6 points</b> for 2% annual income trending and 3% annual expense trending.</p>   |                    | <b>6</b>   |               |
| 7. Operating Expenses              |   |  |                    |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.  | N/A  |                    |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption.  | N/A  |                    |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.   | <i>See F(6)(c) above</i>   |                    |            |               |
| 8. Debt Service Coverage (DSC)     |   |  |                    |            |               |

| Subordinate B-Note               | Product Terms  | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|--|--|------------|---------------|
| a. Senior Coverage               | 1.15x minimum<br><br>(Senior debt must have a term of no less than 10 years and an amortization period of no more than 40 years) | <b>Threshold Requirement</b><br>Does the model assume at least 1.15x DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>1 point</b> for every 0.05x coverage over the requirement above, up to a maximum of 4 points.  | <b>4</b>   |               |
| b. All-in Coverage               | 1.05x minimum  | <b>Threshold Requirement</b><br>Does the model assume at least 1.05x all-in DSC for any non-LACAHSA loans that have a must pay debt service requirement (hard pay subordinate loans)? If no subordinate hard pay loans, note N/A.<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br>N/A – no subordinate hard pay loans |            |               |
| 9. Reserves                      |  |  |            |               |
| a. Replacement Reserve           | Greater of \$300/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment.                      | <b>Threshold Requirement</b><br>Is replacement reserve sized at a minimum of \$300/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  | <b>4</b>   |               |
| b. Operating Reserve             | Minimum 3 months of operating expenses.  | <b>Threshold Requirement</b><br>Is the operating reserve sized at a minimum of 3 months' operating expenses?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | <b>3</b>   |               |
| 10. Property Management/Services |  |  |            |               |
| a. Manager Experience            | Property manager to be reviewed and approved by LACAHSA prior to closing.  | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of income restricted property management experience in California and <b>1 point</b> for at least 5   | <b>2</b>   |               |

| Subordinate B-Note               | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|----------------------------------|--|---|------------|---------------|
|                                  |  | <p>income restricted projects managed in California in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years.</p>  |            |               |
| b. Service Provider Experience   | Any social service providers to be reviewed and approved by LACAHSA prior to closing.            | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> for at least 7 years of services experience in California and <b>1 point</b> for at least 5 projects served in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for less than 2 projects served in Los Angeles County in the past 15 years.</p> | <b>2</b>   |               |
| c. Services Plan and Budget      | Where social services provided, full services plan and budget will be required prior to closing. | N/A   |            |               |
| <b>G. Efficiency Standards</b>   |  |   | <b>10</b>  |               |
| 1. Sponsor/Related Party Capital | <i>See Selection Criteria</i>  | <p><b>Point Scoring</b></p> <p>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-1 points</b> for every percentage point of interest rate on a such a loan above 9%.</p>  | <b>0</b>   |               |

| Subordinate B-Note                         |  | Product Terms  | Selection Criteria | Max. Score | Project Score |
|--|--|--|--------------------|------------|---------------|
| 2. Developer Fee                           | Projects to comply with LACAHSA Developer Fee Standards. | <p><b>Threshold Requirement</b><br/>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?</p> <p>If YES, proceed<br/>If NO, disqualified</p>  |                    |            |               |
| 3. Cost Containment                        | <i>See Selection Criteria</i>                            | <p><b>Point Scoring</b><br/>Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.</p> | <b>10</b>          |            |               |
| <b>H. Tie Breakers (Order of Priority)</b> |  |  |                    |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i>                            | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)  |                    |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i>                            | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark   |                    |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i>                            | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist   |                    |            |               |

| Document Checklist                                  |                                     |
|---|-------------------------------------|
| Required Documents                                  | Provided?                           |
| <b>1. Organizational and Eligibility</b>            |                                     |
| Articles/Bylaws/501I(3), Good Standing              | <input type="checkbox"/>            |
| Org chart, principals/guarantors, COI               | <input type="checkbox"/>            |
| Sponsor/guarantor financials & org docs             | <input type="checkbox"/>            |
| Public resolution; Housing Element/AFFH (if public) | <input type="checkbox"/>            |
| <b>2. Real Estate &amp; Land Use</b>                |                                     |
| Site control, prelim title, ALTA                    | <input checked="" type="checkbox"/> |

| Document Checklist   |                          |
|--|--------------------------|
| Required Documents   | Provided?                |
| Zoning status/approvals, permits (if any)                  | <input type="checkbox"/> |
| Will-serve/utilities, flood                                | <input type="checkbox"/> |
| <b>3. Environmental Compliance (Status)</b>                |                          |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS) | <input type="checkbox"/> |
| Phase I/II ESA; mitigation matrix                          | <input type="checkbox"/> |
| <b>4. Design/Construction/Labor (Readiness)</b>            |                          |
| Prelim Plans/specs; schedule                               | <input type="checkbox"/> |
| Plan & cost review; GMP/bids (if any)                      | <input type="checkbox"/> |
| GC quals; Prevailing Wage/PLA; ADA                         | <input type="checkbox"/> |
| <b>5. Rehabilitation &amp; Physical Needs (Rehab Only)</b> |                          |
| PNA + component reports; rehab scope                       | <input type="checkbox"/> |
| Engineering/seismic  | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>                        |                          |
| Uniform Workbook; S&U; pro forma                           | <input type="checkbox"/> |
| Appraisal/cost; market study                               | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                            | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations</b>       |                          |
| Draft regulatory agreement; rent schedule                  | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                 | <input type="checkbox"/> |
| SNDA (if any)  | <input type="checkbox"/> |
| <b>8. Resident Impacts &amp; Services (If Applicable)</b>  |                          |
| Community outreach; engagement plan (A/R)                  | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                   | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)           | <input type="checkbox"/> |
| <b>9. Product-Specific Supplements</b>                     |                          |
| Subordinate debt terms                                     | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-5]

**Exhibit C-5: Product Terms, Scorecard, and Document Checklist**  
***Residual Receipts Loan***

| Residual Receipts Loan                     |  |  | Max. Score | Project Score |
|--|--|--|------------|---------------|
| Product Terms                              |  | Selection Criteria   |            |               |
| <b>A. Purpose &amp; Form of Assistance</b> |  |  |            |               |
| 1. Purpose & Form of Assistance            | Provide subordinate gap financing for LIHTC projects beginning at close of construction/rehabilitation financing.  | N/A  |            |               |
| <b>B. Eligibility</b>                      |  |  |            | <b>20</b>     |
| 1. Projects                                | New-construction and acquisition/rehabilitation projects also funded by 4% or 9% LIHTC   | <p><b>Threshold Requirements</b><br/>           Is this a new-construction or major acquisition/rehabilitation project, with LIHTC financing?<br/> <b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>           Add <b>10 points</b> for new-construction projects.</p>   | <b>10</b>  |               |
| 2. Owners                                  | Private Entities   | <p><b>Threshold Requirements</b><br/>           Is the project owned by private entity eligible to own a LIHTC project?<br/> <b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>  |            |               |
| 3. Readiness to Proceed                    | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Readiness to Proceed Checklist) within 12 months of award. | <p><b>Threshold Requirements</b><br/>           Is the project ready to proceed within the required timeframe based on the following?<br/>           (i) Complete pro forma financial model;<br/>           (ii) Preliminary financing commitments from all non-LACAHSA funders;<br/>           (iii) Evidence of site control;<br/>           (iv) Site development plan provided;<br/>           (v) Evidence of appropriate zoning;<br/>           (vi) Market study provided;<br/>           (vii) Physical needs assessment (for rehab projects) provided</p> | <b>10</b>  |               |

| Residual Receipts Loan            |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|--|---------------|---|------------|---------------|
|                                   |  |               | <p>(viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</p> <p><b>If YES to all, proceed</b><br/> <b>If NO to any, disqualified</b></p> <p><b>Point Scoring</b></p> <p>Add points for the following:</p> <p>(i) Full architectural drawings by licensed architect <b>(2 points)</b>;</p> <p>(ii) Full environmental clearance with no further action required <b>(2 Points)</b>;</p> <p>(iii) General contractor (a) has been engaged <b>(1 point)</b>, (b) has helped develop the construction/rehab budget <b>(1 additional point)</b>, is bound by a fully executed contract <b>(1 additional point)</b>;</p> <p>(iv) All permits or permit-ready letters (subject only to payment of fees) in hand <b>(3 points)</b></p> |            |               |
| <b>C. Loan Size and Structure</b> |  |               |   |            |               |
| 1. Maximum Amount                 | \$10,000,000   |               | <p><b>Threshold Requirement</b></p> <p>Is the funding amount less than or equal to \$10,000,000?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>  |            |               |
| 2. Term                           | Up to 55 years   |               | <p><b>Threshold Requirement</b></p> <p>Is the term less than 40 years?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>  |            |               |
| 3. Maximum Amortization           | <i>N/A – Residual receipts payment based on 50% split of cashflow (however, loan is not forgivable or extendable beyond maturity date)</i> |               | N/A   |            |               |
| 4. Interest Rate                  | 3% Simple Interest   |               | <p><b>Threshold Requirement</b></p> <p>Does the model assume a 3% simple interest rate?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>   |            |               |

| Residual Receipts Loan                    |   |  | Max. Score | Project Score |
|---|---|--|------------|---------------|
| Product Terms                             |   | Selection Criteria   |            |               |
| 5. Conversion Requirements                | Set by permanent lender; Must be acceptable to LACAHSA  | N/A  |            |               |
| 6. Prepayment Lockout/Penalties           | No prepayment lockout or penalties  | N/A  |            |               |
| 7. Recourse                               | Non-recourse, subject to exceptions for fraud, misrepresentation, etc. ( <i>so-called "bad acts carveouts"</i> )  | N/A  |            |               |
| 8. Security                               | Junior lien on real property ( <i>may subordinate to other lenders as necessary</i> )   | N/A  |            |               |
| <b>D. Loan Costs</b>                      |   |  |            |               |
| 1. Application Deposit                    | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products for one project, no additional deposit is required. | N/A  |            |               |
| 2. Upfront Origination Fee                | 0.50% of total loan amount  | <b>Threshold Requirement</b><br>Does the model assume a 0.25% origination fee?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Forward Commitment Fee                 | <i>N/A – Immediate delivery</i>   | N/A  |            |               |
| 4. Lender Closing Costs                   | Borrower to pay LACAHSA legal and advisory costs at closing   | <b>Threshold Requirement</b><br>Does the model assume proper lender closing costs based on LACAHSA Standard Closing Cost Assumptions?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 5. Plan and Cost Review/ Monitoring Costs | Borrower to cover the cost of LACAHSA's plan and cost reviewer/construction monitor where plan and cost review not required by senior lender.   | <b>Threshold Requirement</b><br>Does the model assume proper plan and cost review / monitoring costs based on <b>LACAHSA Standard Construction Review &amp; Monitoring Assumptions</b> ?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |

| Residual Receipts Loan                |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|---------------------------------------|--|---|--------------------|------------|---------------|
| 6. Annual Compliance Monitoring Costs | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> ) payable prior to first mortgage debt service  | <p><b>Threshold Requirement</b></p> <p>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?</p> <p>If YES, proceed<br/>If NO, disqualified</p>   |                    |            |               |
| <b>E. Public Benefit Requirements</b> |  |   |                    | <b>21</b>  |               |
| 1. Affordability Restrictions         | <p><u>New Construction:</u></p> <p><b>Option 1: 100% Affordable Building up to 80% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) 10% of units at or below 50% of AMI and<br/>           (3) 100% of total development units at or below 80% of AMI</p> <p><b>Option 2: 100% Affordable Building up to 120% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) the greater of 50 units or 50% of units in the development must be at or below 50% of AMI.<br/>           (3) Remaining units may be up to 120% of AMI.</p> <p>Units financed with LACAHSA financing all must be at or below 50% of AMI.</p> <p><b>Option 3: Mixed-Income Building (including units above 120% of AMI):</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) 10% of units at or below 50% of AMI and<br/>           (3) Remaining LACAHSA-financed units at or below 80% of AMI</p> <p><u>Acquisition/Rehabilitation:</u><br/>           Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely low-income households and 10 percent of units must be reserved for very low-income households.</p> | <p><b>Threshold Requirements</b></p> <p>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1% below the minimum discount to market based on LACAHSA affordability standards under <b>Option 1</b>, up to a maximum of 10 points. <i>That is, assuming the LACAHSA affordability standards under Option 1, each unit will produce some discount to market rents as measured by HUD FMR (i.e., the difference between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p>Add <b>6 points</b> for a 99-year affordability election.</p> | <b>16</b>          |            |               |

| Residual Receipts Loan        |  | Product Terms  | Selection Criteria | Max. Score | Project Score |
|-------------------------------|--|--|--------------------|------------|---------------|
|                               | <p><b>All Projects:</b></p> <p>Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance. Agency funds cannot be used in connection with any unit that is <i>solely</i> income restricted due to density bonus, development incentives, or similar programs (See Section 2(l) of this NOFA for details). All LACAHSA-funded units must be both income- and rent-restricted.</p> |  |                    |            |               |
| 2. Project Labor Requirements | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project.  | N/A  |                    |            |               |
| 3. Resident Engagement        | For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.  | N/A  |                    |            |               |
| 4. Tenant Protections         | For acquisition/rehabilitation projects, no displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., <i>rent is greater than 50% of household income</i> ).   | N/A  |                    |            |               |
| 5. Resident Services          | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., <i>seniors, formerly homeless</i> ).   | <p><b>Point Scoring</b></p> <p>Add points for providing services consistent with LACAHSA standards as follows: <b>1 point</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 5 points.</p> | 5                  |            |               |

| Residual Receipts Loan              |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|---|---|--------------------|------------|---------------|
| <b>F. Credit Risk Standards</b>     |   |   |                    |            |               |
| 1. Sponsor/Guarantor                |   |   |                    | 35         |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.  | <p><b>Threshold Requirements</b></p> <p>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>2 points</b> for at least 7 years of development experience in California and <b>2 points</b> for at least 5 completed projects in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points, and <b>-1 point</b> for each portfolio project with DSCR below 1.0x, up to -5 points.</p> | 2                  |            |               |
| b. Sponsor Financial Strength       | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure ownership entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b></p> <p>Sponsor must have at least (i) \$3 million of net worth for private entities and \$1 million for Eligible Nonprofit entities and (ii) \$1 million of liquidity for private entities and \$500k for 501l(3) entities.</p> <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities and <b>1 point</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.</p>   | 2                  |            |               |

| Residual Receipts Loan             |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|------------------------------------|--|---------------|---|------------|---------------|
| c. Sponsor Contribution            |  |               | <u><b>Point Scoring</b></u><br>Add <b>1 point</b> for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 6 points.  | <b>6</b>   |               |
| 2. Developer Fee Payments          | In the case of acquisition or Substantial Rehabilitation, cumulative pay-ins must be no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Permanent Conversion, 100% at Stabilization ( <i>defined as 90% economic occupancy for 3 months</i> ). |               | <u><b>Threshold Requirement</b></u><br>In the case of new construction or major rehabilitation, does the model assume cumulative developer fee payments no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Stabilization ( <i>defined as 90% economic occupancy for 3 months</i> ), 100% at Permanent Conversion?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| 3. Construction/ Substantial Rehab | <b><i>Terms only apply if the Financing Product will be contributed prior to Stabilization.</i></b>  |               |   |            |               |
| a. Plan and Cost Review/Monitoring | Third-party plan and cost review required ( <i>either performed by a reviewer from the LACAHSA-approved list or by the a reviewer selected by a third-party senior lender</i> ).   |               | N/A   |            |               |
| b. Bonding                         | Full payment and performance ("P&P") bond required. LACAHSA may accept a letter of credit in lieu of a P&P bond on a case-by-case basis. However, for the purpose of NOFA selection, all Applications should assume P&P bond coverage.   |               | N/A   |            |               |
| c. Contract Type                   | Guaranteed maximum price contract required.  |               | N/A   |            |               |
| d. Hard Cost Contingency           | Greater of 5% or plan and cost review recommendation.  |               | <u><b>Threshold Requirement</b></u><br>For New Construction or Substantial Rehabilitation, does the model assume at least 5% hard cost contingency for new construction and 10% for rehabilitation?   |            |               |

| Residual Receipts Loan            |   | Product Terms | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|---|---------------|---|------------|---------------|
|                                   |   |               | <b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| e. Soft Cost Contingency          | 3%  |               | <b>Threshold Requirement</b><br>In the case of new construction or major rehabilitation, does the model assume at least 3% soft cost contingency?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| f. Retainage                      | 10%   |               | N/A   |            |               |
| 4. Lease-Up                       | All lease-up assumptions to be verified via appraisal-derived lease-up estimates, including capture rate and absorption rate. |               | N/A   |            |               |
| 5. Leverage                       |   |               |   |            |               |
| a. Max. Loan-to-Cost (LTC) Ratio  | 90% LTC on senior permanent financing<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)                     |               | <b>Threshold Requirement</b><br>Does the model assume the proper maximum LTC ratios?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>For all-in LTC, add <b>0.5 points</b> for every 2.5 percentage points below the threshold requirement up to a maximum of 1 point. | <b>1</b>   |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on senior permanent financing<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)                     |               | <b>Threshold Requirement</b><br>Does the model assume the proper maximum LTV ratios?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>For all-in LTV, add <b>1 point</b> for every 2.5 percentage points below the threshold requirement, up to a maximum of 1 point.   | <b>1</b>   |               |
| 6. Operating Income               |   |               |   |            |               |

| Residual Receipts Loan             |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|------------------------------------|---|---|--------------------|------------|---------------|
| a. Verification of Assumptions     | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario. | <b>Point Scoring</b><br>(i) Add <b>1 point</b> for total operating expenses no higher than market study estimate and an additional <b>1 point</b> for total operating expenses at least 5% lower than market study estimate. (ii) Deduct points as follows: <b>-1 point</b> for income exceeding market study estimate by at least 5% and an additional <b>-1 point</b> for income exceeding market study estimate by at least 10%. |                    | <b>2</b>   |               |
| b. Vacancy Assumptions             | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure).      | <b>Threshold Requirement</b><br>Does the model assume at least 5% or 10% vacancy as applicable by unit type?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |                    | <b>4</b>   |               |
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.  | <b>Threshold Requirement</b><br>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |                    | <b>3</b>   |               |
| 7. Operating Expenses              |   |   |                    |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.  | N/A   |                    |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption.  | N/A   |                    |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.   | <i>See F(6)(c) above</i>  |                    |            |               |
| 8. Debt Service Coverage (DSC)     |   |   |                    |            |               |
| a. Senior Coverage                 | 1.15x minimum<br><br>(Senior debt must have a term of no less than 10 years and an amortization period of no more than 40 years)  | <b>Threshold Requirement</b><br>Does the model assume at least 1.15x DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |                    |            |               |
| b. All-in Coverage                 | 1.05x minimum   | <b>Threshold Requirement</b><br>Does the model assume at least 1.05x all-in DSC for   |                    |            |               |

| Residual Receipts Loan           |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|---|---------------|--|------------|---------------|
|                                  |   |               | any non-LACAHSA loans that have a must-pay debt service requirement (hard pay subordinate loans)?<br>If there are no must-pay subordinate loans, indicate N/A.<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><b>N/A – no subordinate must-pay loans</b>   |            |               |
| 9. Reserves                      |   |               |  |            |               |
| a. Debt Service Reserve          | As determined by perm lender  |               |  | <b>3</b>   |               |
| b. Replacement Reserve           | Greater of \$300/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment. |               | <b>Threshold Requirement</b><br>Is replacement reserve sized at a minimum of \$300/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  | <b>2</b>   |               |
| c. Operating Reserve             | Minimum 3 months operating expenses   |               | <b>Threshold Requirement</b><br>Is the operating reserve sized at a minimum of 3 months' operating expenses?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | <b>4</b>   |               |
| d. Capitalized Interest Reserve  | As required by senior lenders.  |               | <b>Threshold Requirement</b><br>Does reserve sizing meet LACAHSA Interest Reserve Requirements?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 10. Property Management/Services |   |               |  |            |               |
| a. Manager Experience            | Property manager to be reviewed and approved by LACAHSA prior to closing.                                   |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of income restricted property management experience in California and <b>1 point</b> for at least 5 income restricted projects managed in California in the past 15 years.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management | <b>2</b>   |               |

| Residual Receipts Loan           |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|----------------------------------|--|---------------|---|------------|---------------|
|                                  |  |               | experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years.   |            |               |
| b. Service Provider Experience   | Any social service providers to be reviewed and approved by LACAHSA prior to closing.            |               | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> for at least 7 years of services experience in California and <b>1 point</b> for at least 5 projects served in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for less than 2 projects served in Los Angeles County in the past 15 years.</p> | <b>2</b>   |               |
| c. Services Plan and Budget      | Where social services provided, full services plan and budget will be required prior to closing. |               | N/A   |            |               |
| <b>G. Efficiency Standards</b>   |  |               |   |            | <b>24</b>     |
| 1. Sponsor/Related Party Capital |  |               | <p><b>Point Scoring</b></p> <p>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-1 points</b> for every percentage point of interest rate on a such a loan above 8%.</p>  | <b>0</b>   |               |
| 2. Developer Fee                 | Projects to comply with LACAHSA Developer Fee Standards.   |               | <p><b>Threshold Requirement</b></p> <p>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add <b>0.5 points</b> for every \$150k by which cash developer fee is lower than the maximum allowed, up to a maximum of 3 points.</p>  | <b>3</b>   |               |
| 3. Cost Containment              | <i>See Selection Criteria</i>  |               | <p><b>Point Scoring</b></p> <p>Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost</p>   | <b>10</b>  |               |

| Residual Receipts Loan                     |                               | Product Terms | Selection Criteria  | Max. Score | Project Score |
|--|-------------------------------|---------------|---|------------|---------------|
|  |                               |               | per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.   |            |               |
| 4. Public Funds Leveraging                 | <i>See Selection Criteria</i> |               | <b>Point Scoring</b><br>Add <b>1 point</b> for every \$500,000 of non-LACAHSA public support in the project, up to a maximum of 6 points.   | 6          |               |
| 5. Total LACAHSA Subsidy                   | <i>See Selection Criteria</i> |               | <b>Point Scoring</b><br>Add <b>1 point</b> for every percentage point of total development costs by which the sum of the requested Residual Receipts Loan and any Matching Capital Grant funding is less than 20%, up to a maximum of 5 points. | 5          |               |
| <b>H. Tie Breakers (Order of Priority)</b> |                               |               |   |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i> |               | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)   |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i> |               | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark  |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i> |               | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist  |            |               |

| Document Checklist                                  |                          |
|---|--------------------------|
| Required Documents                                  | Provided?                |
| <b>1. Organizational and Eligibility</b>            |                          |
| Articles/Bylaws/501(c)(3), Good Standing            | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI               | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs             | <input type="checkbox"/> |
| Public resolution; Housing Element/AFFH (if public) | <input type="checkbox"/> |
| <b>2. Real Estate &amp; Land Use</b>                |                          |
| Site control, prelim title, ALTA                    | <input type="checkbox"/> |
| Zoning status/approvals, permits (if any)           | <input type="checkbox"/> |

| Document Checklist   |                          |
|--|--------------------------|
| Required Documents   | Provided?                |
| Will-serve/utilities, flood                                | <input type="checkbox"/> |
| <b>3. Environmental Compliance (Status)</b>                |                          |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS) | <input type="checkbox"/> |
| Phase I/II ESA; mitigation matrix                          | <input type="checkbox"/> |
| <b>4. Design/Construction/Labor (Readiness)</b>            |                          |
| Prelim Plans/specs; schedule                               | <input type="checkbox"/> |
| Plan & cost review; GMP/bids (if any)                      | <input type="checkbox"/> |
| GC quals; Prevailing Wage/PLA; ADA                         | <input type="checkbox"/> |
| <b>5. Rehabilitation &amp; Physical Needs (Rehab Only)</b> |                          |
| PNA + component reports; rehab scope                       | <input type="checkbox"/> |
| Engineering/seismic  | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>                        |                          |
| Uniform Workbook; S&U; pro forma                           | <input type="checkbox"/> |
| Appraisal/cost; market study                               | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                            | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations</b>       |                          |
| Draft regulatory agreement; rent schedule                  | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                 | <input type="checkbox"/> |
| SNDA (if any)  | <input type="checkbox"/> |
| <b>8. Resident Impacts &amp; Services (If Applicable)</b>  |                          |
| Community outreach; engagement plan (A/R)                  | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                   | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)           | <input type="checkbox"/> |
| <b>9. Product-Specific Supplements</b>                     |                          |
| Subordinate debt terms                                     | <input type="checkbox"/> |

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[INSERT SECTION DIVIDER: EXHIBIT C-6]

**Exhibit C-6: Product Terms, Scorecard, and Document Checklist**  
***Light Rehab Preservation Loan***

| Light Rehab Preservation Loan              |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|--|--|---|--------------------|------------|---------------|
| <b>A. Purpose &amp; Form of Assistance</b> |  |   |                    |            |               |
| 1. Purpose & Form of Assistance            | Provide senior financing for Light Rehabilitation to preserve existing subsidized affordable housing or NOAH units.  | N/A   |                    |            |               |
| <b>B. Eligibility</b>                      |  |   |                    | 24         |               |
| 1. Projects                                | Existing subsidized affordable housing or NOAH units at risk of conversion to market-rate units; Non-LIHTC projects only; Preference for projects with no affordability or expiring affordability within 5 years; Deductions for projects with very minimal rehabilitation (e.g., less than the greater of \$3,500 per unit or \$250K total) | <p><b>Threshold Requirements</b><br/>           Is this an existing subsidized affordable housing project or NOAH project at risk of conversion to market-rate rents, with no new LIHTC financing?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p><b>Point Scoring</b><br/>           Add <b>7 points</b> for projects with (i) no existing affordability restrictions and weighted-average rents at least 10% below the applicable weighted-average HUD Fair Market Rents or (ii) affordability restrictions expiring within the next 5 years and no new affordability restrictions required as part of the capital stack. Deduct points as follows: <b>-5 points</b> for projects with rehabilitation costs below the greater of \$3,500 per unit or \$250,000.</p> |                    | 7          |               |
| 2. Owners                                  | Eligible Nonprofits, Private Entities; Preference for projects 100% owned by Eligible Nonprofits   | <p><b>Threshold Requirements</b><br/>           Is the project owned by either an Eligible Nonprofit entity or a Private Entity?</p> <p>If YES, proceed<br/>           If NO, disqualified</p> <p><b>Point Scoring</b><br/>           Add <b>7 points</b> for projects that will be owned by</p>  |                    | 7          |               |

| Light Rehab Preservation Loan     |  | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|-----------------------------------|--|---|--|------------|---------------|
|                                   |  |   | Eligible Nonprofit entities eligible for tax-exempt financing. |            |               |
| 3. Readiness to Proceed           | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Readiness to Proceed Checklist) within 12 months of award. | <p><b>Threshold Requirements</b></p> <p>Is the project ready to proceed within the required timeframe based on the following?</p> <ul style="list-style-type: none"> <li>(i) Complete pro forma financial model;</li> <li>(ii) Preliminary financing commitments from at least 80% of non-LACAHSA sources;</li> <li>(iii) Evidence of site control;</li> <li>(iv) Site development plan provided;</li> <li>(v) Evidence of appropriate zoning;</li> <li>(vi) Market study provided;</li> <li>(vii) Physical needs assessment (for rehab projects) provided</li> <li>(viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</li> </ul> <p><b>If YES to all, proceed</b><br/><b>If NO to any, disqualified</b></p> <p><b>Point Scoring</b></p> <p>Add points for the following:</p> <ul style="list-style-type: none"> <li>(i) Full architectural drawings by licensed architect <b>(2 points)</b>;</li> <li>(ii) Preliminary environmental reports (e.g., Phase I) and a plan to complete necessary additional steps within the required timeframe <b>(2 Points)</b>;</li> <li>(iii) General contractor (a) has been engaged <b>(1 point)</b>, (b) has helped develop the rehab budget <b>(1 additional point)</b>, is bound by a fully executed contract <b>(1 additional point)</b>;</li> <li>(iv) All permits or permit-ready letters (subject only to payment of fees) in hand <b>(3 points)</b></li> </ul> | <b>10</b>  |            |               |
| <b>C. Loan Size and Structure</b> |  |   |  |            |               |
| 1. Maximum Amount                 | \$10,000,000   | <b>Threshold Requirement</b>  | Is the funding amount less than or equal to                    |            |               |

| Light Rehab Preservation Loan    |   | Product Terms | Selection Criteria  | Max. Score | Project Score |
|----------------------------------|---|---------------|---|------------|---------------|
|                                  |   |               | \$10,000,000?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 2. Term                          | 10 to 15 years (including initial 36-month interest-only period)  |               | <b>Threshold Requirement</b><br>Is the term no longer than 15 years?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 3. Maximum Amortization          | Interest-only for up to 36 months initially; 40-year amortization for remaining 144 months  |               | <b>Threshold Requirement</b><br>Is the loan structured as interest-only for no more than 36 months and amortizing on a 40-year basis for the balance of the term?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| 4. Interest Rate                 | SLGS + 150 Basis Points   |               | <b>Threshold Requirement</b><br>Does the model assume the proper interest rate based on the LACAHSA NOFA Rate Chart given the rate mode, product type, and term?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 5. Rate Lock/ Commitment Options | Rate lock up to 90 days prior to closing ( <i>final rate includes lookback option to select the lowest index rate during the 90-day period</i> )  |               | N/A   |            |               |
| 6. Conversion Requirements       | 90% occupancy for 90 days   |               | N/A   |            |               |
| 7. Prepayment Lockout/Penalties  | No prepayment lockout or penalties  |               | N/A   |            |               |
| 8. Recourse                      | Completion and lease-up guarantees required   |               | N/A   |            |               |
| 9. Security                      | Senior lien on real property; LACAHSA will not subordinate to other lenders   |               | N/A   |            |               |
| <b>D. Loan Costs</b>             |   |               |   |            |               |
| 1. Application Deposit           | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple |               | N/A   |            |               |

| Light Rehab Preservation Loan             |  |   | Max. Score | Project Score |
|---|--|---|------------|---------------|
| Product Terms                             |  | Selection Criteria  |            |               |
|   | LACAHSA loan/grant products, no additional deposit is required.  |   |            |               |
| 2. Upfront Origination Fee                | 1% of total loan amount  | <b>Threshold Requirement</b><br>Does the model assume a 1% origination fee?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Forward Commitment Fee                 | <i>N/A - Immediate delivery</i>  | N/A   |            |               |
| 4. Extension Fee                          | 2-basis point fee for each month the conversion date is delayed  | N/A   |            |               |
| 5. Lender Closing Costs                   | Borrower to pay LACAHSA legal and advisory costs at closing  | N/A   |            |               |
| 6. Plan and Cost Review/ Monitoring Costs | Borrower to cover the cost of LACAHSA's plan and cost reviewer/construction monitor.   | <b>Threshold Requirement</b><br>Does the model assume proper plan and cost review / monitoring costs based on LACAHSA Standard Construction Review & Monitoring Assumptions?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                          |            |               |
| 7. Annual Compliance Monitoring Costs     | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> )   | <b>Threshold Requirement</b><br>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| <b>E. Public Benefit Requirements</b>     |  |   |            | <b>13</b>     |
| 1. Affordability Restrictions             | Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely low-income households and 10 percent of units must be reserved for very low-income households.<br><br>Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant | <b>Threshold Requirements</b><br>Does the sponsor acknowledge all units must reach 50% of AMI with turnover?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>6 points</b> for a 99-year affordability election. | 6          |               |

| Light Rehab Preservation Loan       |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|---|--|--------------------|------------|---------------|
|                                     | eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance.   |  |                    |            |               |
| 2. Project Labor Requirements       | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project. | N/A  |                    |            |               |
| 3. Resident Engagement              | LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.  | N/A  |                    |            |               |
| 4. Tenant Protections               | No displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., <i>rent is greater than 50% of household income</i> ).   | N/A  |                    |            |               |
| 5. Resident Services                | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., seniors, formerly homeless).  | <b>Point Scoring</b><br>Add points for providing services consistent with LACAHSA standards as follows: <b>1.4 points</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 7 points.   | <b>7</b>           |            |               |
| <b>F. Credit Risk Standards</b>     |   |  |                    |            | <b>48</b>     |
| 1. Sponsor/Guarantor                |   |  |                    |            |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.  | <b>Threshold Requirements</b><br>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC. | <b>8</b>           |            |               |

| Light Rehab Preservation Loan |   | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|-------------------------------|---|---|--|------------|---------------|
|                               |   |   | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> per year of development experience in Los Angeles County above 5 years, up to a maximum of 5 points, and <b>1 point</b> for each completed project in Los Angeles County above 3 projects in the past 15 years, up to a maximum of 3 points.</p> <p>(ii) Deduct points as follows: <b>-5 points</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -15 points, and <b>-5 points</b> for each portfolio project with DSCR below 1.0x, up to -15 points.</p> |            |               |
| b. Sponsor Financial Strength | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b></p> <p>Guarantor must have at least (i) \$6 million of net worth for private entities and \$1 million for Eligible Nonprofit entities and (ii) \$ million of liquidity for private entities and \$500k for Eligible Nonprofit entities.</p> <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities and <b>1 point</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.</p> | <b>2</b>   |            |               |
| c. Sponsor Contribution       | <i>See Selection Criteria</i>   | <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 6 points.</p>  | <b>6</b>   |            |               |
| d. Required Guarantees        | Completion and Lease-up   | N/A   |  |            |               |
| 2. Developer Fee Payments     | In the case of acquisition or Substantial Rehabilitation, cumulative pay-ins must be no greater than the following:   | <p><b>Threshold Requirement</b></p> <p>In the case of new construction or major</p>   |  |            |               |

| Light Rehab Preservation Loan         |  |  | Max. Score | Project Score |
|---------------------------------------|--|--|------------|---------------|
|                                       | Product Terms  | Selection Criteria   |            |               |
|                                       | 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Permanent Conversion, 100% at Stabilization ( <i>defined as 90% economic occupancy for 3 months</i> ).   | rehabilitation, does the model assume cumulative developer fee payments no greater than the following: 15% at Closing, 40% at 50% Completion, 70% at 100% Lien-Free Completion, 85% at Stabilization (defined as 90% economic occupancy for 3 months), 100% at Permanent Conversion?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| 3. Construction/<br>Substantial Rehab |  |  |            |               |
| a. Plan and Cost<br>Review/Monitoring | Third-party plan and cost review required ( <i>selected from list of LACAHSA-approved firms</i> ).   | N/A  |            |               |
| b. Bonding                            | Full payment and performance ("P&P") bond required. LACAHSA may accept a letter of credit in lieu of a P&P bond on a case-by-case basis. However, for the purpose of NOFA selection, all Applications should assume P&P bond coverage. | N/A  |            |               |
| c. Contract Type                      | Guaranteed maximum price contract required.  | N/A  |            |               |
| d. Hard Cost Contingency              | Greater of 10% or plan and cost review recommendation.   | <p><b>Threshold Requirement</b><br/>Does the model assume at least 10% hard cost contingency?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>Add <b>1 point</b> for each percentage point above the threshold requirement up to a maximum of 5 points.</p>  | <b>5</b>   |               |
| e. Soft Cost Contingency              | 3%   | <p><b>Threshold Requirement</b><br/>Does the model assume at least 3% soft cost contingency?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b></p>   | <b>5</b>   |               |

| Light Rehab Preservation Loan     |  | Product Terms | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|--|---------------|---|------------|---------------|
|                                   |  |               | Add <b>1 point</b> for each percentage point above the threshold requirement up to a maximum of 5 points.   |            |               |
| f. Retainage                      | 10%  |               | N/A   |            |               |
| 4. Lease-Up                       | All lease-up assumptions to be verified via appraisal-derived lease-up estimates, including capture rate and absorption rate.  |               | N/A   |            |               |
| 5. Leverage                       |  |               |   |            |               |
| a. Max. Loan-to-Cost (LTC) Ratio  | 90% LTC on LACAHSA Light Rehab Preservation Loan<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)   |               | <p><b>Threshold Requirement</b><br/>Does the model assume no more than 90% LTC?<br/>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b><br/>Add <b>1 point</b> for every 3 percentage points below the threshold requirement up to a maximum of 5 points.</p>   | <b>5</b>   |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on LACAHSA Light Rehab Preservation Loan<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)   |               | <p><b>Threshold Requirement</b><br/>Does the model assume no more than 90% LTV?<br/>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b><br/>Add <b>0.5 points</b> for every 5 percentage points below the threshold requirement, up to a maximum of 1 point.</p>  | <b>1</b>   |               |
| 6. Operating Income               |  |               |   |            |               |
| a. Verification of Assumptions    | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with stabilized valuation scenario. |               | <p><b>Point Scoring</b><br/>(i) Add <b>1 point</b> for total operating expenses no higher than market study estimate and an additional <b>1 point</b> for total operating expenses at least 5% lower than market study estimate. (ii) Deduct points as follows: <b>-1 point</b> for income exceeding market study estimate by at least 5%</p> | <b>2</b>   |               |

| Light Rehab Preservation Loan      |  | Product Terms  | Selection Criteria   | Max. Score | Project Score |
|------------------------------------|--|--|--|------------|---------------|
|                                    |  |  | and an additional <b>-1 point</b> for income exceeding market study estimate by at least 10%.  |            |               |
| b. Vacancy Assumptions             | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure). |  | <b>Threshold Requirement</b><br>Does the model assume at least 5% or 10% vacancy as applicable by unit type?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | <b>2</b>   |               |
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.   |  | <b>Threshold Requirement</b><br>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>2 points</b> for 2% annual income trending and 3% annual expense trending. | <b>2</b>   |               |
| 7. Operating Expenses              |  |  |  |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.   | N/A  |  |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption.   | N/A  |  |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.  | <i>See F(6)(c) above</i>   |  |            |               |
| 8. Debt Service Coverage (DSC)     |  |  |  |            |               |
| a. Senior Coverage                 | 1.15x minimum  | <b>Threshold Requirement</b><br>Does the model assume at least 1.15x DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>0.5 points</b> for every 0.05x coverage over the requirement above, up to a maximum of 2 points. | <b>2</b>   |            |               |
| b. All-in Coverage                 | 1.05x minimum  | <b>Threshold Requirement</b><br>Does the model assume at least 1.05x all-in DSC?   |  |            |               |

| Light Rehab Preservation Loan    |   | Product Terms | Selection Criteria  | Max. Score | Project Score |
|----------------------------------|---|---------------|---|------------|---------------|
|                                  |   |               | <b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 9. Reserves                      |   |               |   |            |               |
| a. Debt Service Reserve          | Minimum 6 months' MADS  |               | <b>Threshold Requirement</b><br>Is debt service reserve sized at a minimum of 6 months?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| b. Replacement Reserve           | Greater of \$300/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment.   |               | <b>Threshold Requirement</b><br>Is replacement reserve sized at a minimum of \$300/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | 2          |               |
| c. Operating Reserve             | Minimum 3 months  |               | <b>Threshold Requirement</b><br>Is the operating reserve sized at a minimum of 3 months' operating expenses?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| d. Capitalized Interest Reserve  | Sized at Rehab Period + Lease-up Period + 3-Month Cushion ( <i>Rehab and Lease-up periods to be verified by plan and cost review and appraisal, respectively</i> ). |               | <b>Threshold Requirement</b><br>Does reserve sizing meet LACAHSA Interest Reserve Requirements?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b><br><br><b>Point Scoring</b><br>Add <b>0.5 points</b> for each additional month of cushion, up to a maximum of 2 points. | 2          |               |
| 10. Property Management/Services |   |               |   |            |               |
| a. Manager Experience            | Property manager to be reviewed and approved by LACAHSA prior to closing.   |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of income restricted property management experience in California and <b>1 point</b> for at least 5 income restricted projects managed in California in                                  | 2          |               |

| Light Rehab Preservation Loan    |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|--|---------------|--|------------|---------------|
|                                  |  |               | the past 15 years.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years.  |            |               |
| b. Service Provider Experience   | Any social service providers to be reviewed and approved by LACAHSA prior to closing.            |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of services experience in California and <b>1 point</b> for at least 5 projects served in Los Angeles County in the past 15 years.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for less than 2 projects served in Los Angeles County in the past 15 years. | 2          |               |
| c. Services Plan and Budget      | Where social services provided, full services plan and budget will be required prior to closing. |               | N/A  |            |               |
| <b>G. Efficiency Standards</b>   |  |               |  | <b>15</b>  |               |
| 1. Sponsor/Related Party Capital | <i>See Selection Criteria</i>  |               | <b>Point Scoring</b><br>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-1 points</b> for every percentage point of interest rate on a such a loan above 9%.  | 0          |               |
| 2. Developer Fee                 | Projects to comply with LACAHSA Developer Fee Standards.   |               | <b>Threshold Requirement</b><br>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Cost Containment              | <i>See Selection Criteria</i>  |               | <b>Point Scoring</b><br>Add points as follows: <b>3 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 15 points.   | 15         |               |

| Light Rehab Preservation Loan              |                               | Product Terms   | Selection Criteria | Max. Score | Project Score |
|--|-------------------------------|---|--------------------|------------|---------------|
| <b>H. Tie Breakers (Order of Priority)</b> |                               |   |                    |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i> | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources) |                    |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i> | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark  |                    |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i> | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist  |                    |            |               |

| Document Checklist  |                          | Provided? |
|---|--------------------------|-----------|
| Required Documents  | Provided?                |           |
| <b>1. Organizational and Eligibility</b>                        |                          |           |
| Articles/Bylaws/501(c)(3), Good Standing                        | <input type="checkbox"/> |           |
| Org chart, principals/guarantors, COI                           | <input type="checkbox"/> |           |
| Sponsor/guarantor financials & org docs                         | <input type="checkbox"/> |           |
| Public resolution; Housing Element/AFFH (if public)             | <input type="checkbox"/> |           |
| <b>2. Real Estate &amp; Land Use</b>                            |                          |           |
| Site control, prelim title, ALTA                                | <input type="checkbox"/> |           |
| Zoning status/approvals, permits (if any)                       | <input type="checkbox"/> |           |
| Will-serve/utilities, flood                                     | <input type="checkbox"/> |           |
| <b>3. Environmental Compliance</b>                              |                          |           |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS)      | <input type="checkbox"/> |           |
| Phase I/II ESA; mitigation matrix                               | <input type="checkbox"/> |           |
| <b>4. Design/Construction/Labor (Readiness) (If Applicable)</b> |                          |           |
| Prelim Plans/specs; schedule                                    | <input type="checkbox"/> |           |
| Plan & cost review; GMP/bids (if any)                           | <input type="checkbox"/> |           |
| GC quals; Prevailing Wage/PLA; ADA                              | <input type="checkbox"/> |           |
| <b>5. Rehabilitation &amp; Physical Needs (Rehab Only)</b>      |                          |           |
| PNA + component reports; rehab scope                            | <input type="checkbox"/> |           |

| Document Checklist                                   |                          |
|--|--------------------------|
| Required Documents                                   | Provided?                |
| Engineering/seismic                                  | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>                  |                          |
| Uniform Workbook; S&U; pro forma                     | <input type="checkbox"/> |
| Appraisal/cost; market study                         | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                      | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations</b> |                          |
| Draft regulatory agreement; rent schedule            | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance           | <input type="checkbox"/> |
| SNDA (if any)  | <input type="checkbox"/> |
| <b>8. Resident Impacts &amp; Services</b>            |                          |
| Community outreach; engagement plan (A/R)            | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)             | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)     | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-7]

**Exhibit C-7: Product Terms, Scorecard, and Document Checklist**  
**Matching Capital Grant**

| <i>Matching Capital Grant</i>              |   | <b>Product Terms</b>   | <b>Selection Criteria</b> | <b>Max. Score</b> | <b>Project Score</b> |
|--|---|--|---------------------------|-------------------|----------------------|
| <b>A. Purpose &amp; Form of Assistance</b> |   |  |                           |                   |                      |
| 1. Purpose & Form of Assistance            | Provide last-in gap financing for projects after Subordinate B-Note or Residual Receipts Loan (as applicable) is maximized.   | N/A  |                           |                   |                      |
| <b>B. Eligibility</b>                      |   |  |                           | <b>20</b>         |                      |
| 1. Projects                                | <p>New construction and major acquisition/rehabilitation (including both Substantial and Light Rehabilitation) projects; Projects that have received either a Subordinate B-Note or Residual Receipts Loan from LACAHSA; May finance both LIHTC and Non-LIHTC projects; Matching Funds from the Sponsor required; Preference for new construction projects</p> <p>“Matching Funds” means funds contributed to the project other than loan proceeds—including equity (from project sponsors, LIHTC investors, etc.) and grants—regardless of the ultimate source of the funds.</p> | <p><b>Threshold Requirements</b><br/>           Is this a (i) new-construction, acquisition, or acquisition/rehabilitation project (ii) also awarded either a Subordinate Must-Pay Loan or a Residual Receipts Loan by LACAHSA (iii) with sufficient Matching Funds?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>           Add <b>7 points</b> for new-construction projects.</p> |                           | <b>10</b>         |                      |
| 2. Owners                                  | Eligible Nonprofits, Private Entities; Preference for projects 100% owned by Eligible Nonprofits  | <p><b>Threshold Requirements</b><br/>           Is the project owned by either an Eligible Nonprofit entity or a Private Entity?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>           Add <b>3 points</b> for projects 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible).</p>   |                           | <b>3</b>          |                      |
| 3. Readiness to Proceed                    | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Projects  | <b>Threshold Requirements</b><br>Is the project ready to proceed within the required timeframe based on the following?   |                           | <b>10</b>         |                      |

| Matching Capital Grant            |  | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|-----------------------------------|--|---|--|------------|---------------|
|                                   |  | must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Readiness to Proceed Checklist) within 12 months of award. | <ul style="list-style-type: none"> <li>(i) Complete pro forma financial model;</li> <li>(ii) Preliminary financing commitments from at least 80% of non-LACAHSA sources;</li> <li>(iii) Evidence of site control;</li> <li>(iv) Site development plan provided;</li> <li>(v) Evidence of appropriate zoning;</li> <li>(vi) Market study provided;</li> <li>(vii) Physical needs assessment (for rehab projects) provided</li> <li>(viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</li> </ul> <p>If YES to all, proceed<br/>If NO to any, disqualified</p> <p><b>Point Scoring</b><br/>Add points for the following:</p> <ul style="list-style-type: none"> <li>(i) Full architectural drawings by licensed architect (<b>2 points</b>);</li> <li>(ii) Preliminary environmental reports (e.g., Phase I) and a plan to complete necessary additional steps within the required timeframe (<b>2 Points</b>);</li> <li>(iii) General contractor (a) has been engaged (<b>1 point</b>), (b) has helped develop the rehab budget (<b>1 additional point</b>), is bound by a fully executed contract (<b>1 additional point</b>);</li> <li>(iv) All permits or permit-ready letters (subject only to payment of fees) in hand (<b>3 points</b>)</li> </ul> |            |               |
| <b>C. Loan Size and Structure</b> |  |   |  |            |               |
| 1. Maximum Amount                 | <p>Lesser of Sponsor's contributed funds and 15% of project total development costs (TDC)</p> <p>Sponsor funds may be contributed as subordinate debt, equity, or grants (but not as deferred developer fee)</p> | <p><b>Threshold Requirement</b><br/>Is the funding amount equal to the lesser of sponsor-contributed funds or 15% of TDC?</p> <p>If YES, proceed<br/>If NO, disqualified</p>                            |  |            |               |
| 2. Term                           | 55 years   | <p><b>Threshold Requirement</b><br/>Is the term less than or equal to 55 years?</p>   |  |            |               |

| Matching Capital Grant          |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|---------------------------------|---|---------------|--|------------|---------------|
|                                 |   |               | <b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Maximum Amortization         | <i>N/A - Residual Receipts (however, loan is forgivable at maturity date in exchange for extended affordability)</i>  |               | N/A  |            |               |
| 4. Interest Rate                | 3% Simple Interest  |               | <b>Threshold Requirement</b><br>Does the model assume a 3% simple interest rate?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| 5. Conversion Requirements      | Set by permanent lender; Must be acceptable to LACAHSA  |               | N/A  |            |               |
| 6. Prepayment Lockout/Penalties | No prepayment lockout or penalties  |               | N/A  |            |               |
| 7. Recourse                     | Non-recourse, subject to exceptions for fraud, misrepresentation, etc. ( <i>so-called "bad acts carveouts"</i> )  |               | N/A  |            |               |
| 8. Security                     | Junior lien on real property ( <i>third position</i> )  |               | N/A  |            |               |
| <b>D. Loan Costs</b>            |   |               |  |            |               |
| 1. Application Deposit          | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products, no additional deposit is required. |               | N/A  |            |               |
| 2. Upfront Origination Fee      | 0.50% of total loan amount  |               | <b>Threshold Requirement</b><br>Does the model assume a 0.25% origination fee?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Forward Commitment Fee       | <i>N/A - Immediate delivery</i>   |               | N/A  |            |               |
| 4. Lender Closing Costs         | Borrower to pay LACAHSA legal and advisory costs at closing   |               | <b>Threshold Requirement</b><br>Does the model assume proper lender closing costs based on LACAHSA Standard Closing Cost Assumptions?    |            |               |

| Matching Capital Grant                       |   | Product Terms  | Selection Criteria   | Max. Score | Project Score |
|--|---|--|--|------------|---------------|
|  |   |  | <b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 5. Plan and Cost Review/<br>Monitoring Costs | Borrower to cover the cost of LACAHSA's plan and cost reviewer/construction monitor where plan and cost review not required by senior lender.   |  | <b>Threshold Requirement</b><br>Does the model assume proper plan and cost review / monitoring costs based on LACAHSA Standard Construction Review & Monitoring Assumptions?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| 6. Annual Compliance<br>Monitoring Costs     | Annual Compliance Monitoring Fee equal to 5 basis points of loan amount ( <i>increasing at 2% annually</i> )  |  | <b>Threshold Requirement</b><br>Does the model assume an Annual Compliance Monitoring Fee equal to 5 basis points of loan amount (increasing at 2% annually)?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                |            |               |
| <b>E. Public Benefit Requirements</b>        |   |  |  | <b>23</b>  |               |
| 1. Affordability<br>Restrictions             | <p><u>New Construction:</u></p> <p><b>Option 1: 100% Affordable Building up to 80% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) 10% of units at or below 50% of AMI and<br/>           (3) 100% of total development units at or below 80% of AMI</p> <p><b>Option 2: 100% Affordable Building up to 120% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) the greater of 50 units or 50% of units in the development must be at or below 50% AMI.<br/>           (3) Remaining units may be up to 120% AMI.</p> <p>Units financed with LACAHSA financing all must be at or below 50% of AMI.</p> | <p><b>Threshold Requirements</b></p> <p>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1% below the minimum discount to market based on LACAHSA affordability standards under <b>Option 1</b>, up to a maximum of 10 points. <i>That is, assuming the LACAHSA affordability standards under Option 1, each unit will produce some discount to market rents as measured by HUD FMR (i.e., the difference</i></p> | <b>18</b>  |            |               |

| Matching Capital Grant        | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|-------------------------------|---|--|------------|---------------|
|                               | <p><b>Option 3: Mixed-Income Building (including units above 120% of AMI):</b></p> <p>(1) 10% of units at or below 30% of AMI and<br/> (2) 10% of units at or below 50% of AMI and<br/> (3) Remaining LACAHSA-financed units at or below 80% of AMI</p> <p><u>Acquisition/Rehabilitation:</u><br/> Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely low-income households and 10 percent of units must be reserved for very low-income households.</p> <p><u>All Projects:</u><br/> Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance. Agency funds cannot be used in connection with any unit that is solely income restricted due to density bonus, development incentives, or similar programs. All LACAHSA-funded units must be both income and rent restricted.</p> | <p><i>between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p>Add <b>8 points</b> for a 99-year affordability election.</p> |            |               |
| 2. Project Labor Requirements | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project.   | N/A  |            |               |

| Matching Capital Grant              |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|---|--|--------------------|------------|---------------|
| 3. Resident Engagement              | LACAHSA will work with sponsors to ensure robust resident engagement before and after closing. Prior to closing, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.          | N/A  |                    |            |               |
| 4. Tenant Protections               | No displacement, rents fixed for 1 year following rehab, rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site (e.g., <i>rent is greater than 50% of household income</i> ). | N/A  |                    |            |               |
| 5. Resident Services                | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., seniors, formerly homeless).  | <p><b>Point Scoring</b><br/>Add points for providing services consistent with LACAHSA standards as follows: <b>1 point</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 5 points.</p>  | <b>5</b>           |            |               |
| <b>F. Credit Risk Standards</b>     |   |  |                    |            | <b>27</b>     |
| 1. Sponsor/Guarantor                |   |  |                    |            |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.  | <p><b>Threshold Requirements</b><br/>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b><br/>(i) Add points as follows: <b>2 points</b> for at least 7 years of development experience in California and <b>2 points</b> for at least 5 completed projects in Los Angeles County in the past 15 years.<br/>(ii) Deduct points as follows: <b>-1 point</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points,</p> | <b>4</b>           |            |               |

| Matching Capital Grant             |   | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|------------------------------------|---|--|---|------------|---------------|
|                                    |   |  | and <b>-1 point</b> for each portfolio project with DSCR below 1.0x, up to -5 points. |            |               |
| b. Sponsor Financial Strength      | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b></p> <p>Sponsor must have at least (i) \$3 million of net worth for private entities and \$1 million for Eligible Nonprofit entities and (ii) \$1 million of liquidity for private entities and \$500k for Eligible Nonprofit entities.</p> <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities and <b>1 point</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.</p> | 2   |            |               |
| c. Sponsor Contribution            |   | <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for every 2.5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 12 points.</p>  | 12  |            |               |
| 2. Developer Fee Payments          | As required by senior lenders.  | N/A  |   |            |               |
| 3. Construction/Substantial Rehab  | <b><i>Terms only apply if the Financing Product will be contributed prior to Stabilization.</i></b>   |  |   |            |               |
| a. Plan and Cost Review/Monitoring | Third-party plan and cost review and construction monitoring required ( <i>selected from list of LACAHSA-approved firms</i> ).  | N/A  |   |            |               |
| b. Bonding                         | As required by senior lenders.  | N/A  |   |            |               |
| c. Contract Type                   | As required by senior lenders.  | N/A  |   |            |               |
| d. Hard Cost Contingency           | As required by senior lenders.  | N/A  |   |            |               |
| e. Soft Cost Contingency           | As required by senior lenders.  | N/A  |   |            |               |
| f. Retainage                       | As required by senior lenders.  | N/A  |   |            |               |
| 4. Lease-Up                        | As required by senior lenders.  | N/A  |   |            |               |
| 5. Leverage                        |   |  |   |            |               |

| Matching Capital Grant             |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|------------------------------------|---|---|--------------------|------------|---------------|
| a. Max. Loan-to-Cost (LTC) Ratio   | 95% All-in LTC (100% including LACAHSA's Subordinate B-Note)  | <p><b>Threshold Requirement</b></p> <p>Does the model assume the proper maximum LTC ratio?</p> <p>If YES, proceed<br/>If NO, disqualified</p>                                 |                    |            |               |
| b. Max. Loan-to-Value (LTV) Ratio  | 95% All-in LTV (100% including LACAHSA's Subordinate B-Note)  | <p><b>Threshold Requirement</b></p> <p>Does the model assume the proper maximum LTV ratio?</p> <p>If YES, proceed<br/>If NO, disqualified</p>                                 | 0                  |            |               |
| 6. Operating Income                |   |   |                    |            |               |
| a. Verification of Assumptions     | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario. | <p><b>Point Scoring</b></p> <p>Add 5 points for total operating expenses within +/- 3% of market study estimates.</p>   | 5                  |            |               |
| b. Vacancy Assumptions             | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure).      | <p><b>Threshold Requirement</b></p> <p>Does the model assume at least 5% or 10% vacancy as applicable by unit type?</p> <p>If YES, proceed<br/>If NO, disqualified</p>        |                    |            |               |
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.  | <p><b>Threshold Requirement</b></p> <p>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?</p> <p>If YES, proceed<br/>If NO, disqualified</p> |                    |            |               |
| 7. Operating Expenses              |   |   |                    |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.  | N/A   |                    |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption.  | N/A   |                    |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.   | See F(6)(c) above   |                    |            |               |
| 8. Debt Service Coverage (DSC)     |   |   |                    |            |               |

| Matching Capital Grant           |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|--|---------------|--|------------|---------------|
| a. Senior Coverage               | 1.15x minimum<br><br>(Senior debt must have a term of no less than 10 years and an amortization period of no more than 40 years) |               | <b>Threshold Requirement</b><br>Does the model assume at least 1.15x DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| b. All-in Coverage               | 1.05x minimum  |               | <b>Threshold Requirement</b><br>Does the model assume at least 1.05x all-in DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 9. Reserves                      |  |               |  |            |               |
| a. Debt Service Reserve          | As determined by perm lender   |               |  | <b>0</b>   |               |
| b. Replacement Reserve           | Greater of \$250/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment.                      |               | <b>Threshold Requirement</b><br>Is replacement reserve sized at a minimum of \$250/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| c. Operating Reserve             | Minimum 3 months   |               | <b>Threshold Requirement</b><br>Is the operating reserve sized at a minimum of 3 months' operating expenses?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | <b>0</b>   |               |
| d. Capitalized Interest Reserve  | As required by senior lenders.   |               | <b>Threshold Requirement</b><br>Does reserve sizing meet LACAHSA Interest Reserve Requirements?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 10. Property Management/Services |  |               |  |            |               |
| a. Manager Experience            | Property manager to be reviewed and approved by LACAHSA prior to closing.  |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> for at least 7 years of income restricted property management experience in California and <b>1 point</b> for at least 5 income restricted projects managed in California in the past 15 years.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management |            |               |

| Matching Capital Grant           |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|--|---------------|--|------------|---------------|
|                                  |  |               | experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years.  |            |               |
| b. Service Provider Experience   | Any social service providers to be reviewed and approved by LACAHSA prior to closing.            |               | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> for at least 7 years of services experience in California and <b>1 point</b> for at least 5 projects served in Los Angeles County in the past 15 years.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for less than 2 projects served in Los Angeles County in the past 15 years.</p>                  |            |               |
| c. Services Plan and Budget      | Where social services provided, full services plan and budget will be required prior to closing. |               | N/A  |            |               |
| <b>G. Efficiency Standards</b>   |  |               |  |            | <b>30</b>     |
| 1. Sponsor/Related Party Capital | <i>See Selection Criteria</i>  |               | <p><b>Point Scoring</b></p> <p>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-3 points</b> for every percentage point of interest rate on a such a loan above 8%.</p>   | <b>0</b>   |               |
| 2. Developer Fee                 | Projects to comply with LACAHSA Developer Fee Standards.   |               | <p><b>Threshold Requirement</b></p> <p>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p><b>Point Scoring</b></p> <p>Add <b>1 point</b> for every \$150k by which cash developer fee is lower than the maximum allowed for the project under the Subordinate Must-Pay Loan or Residual Receipts Loan threshold requirements, up to a maximum of 10 points.</p> | <b>10</b>  |               |

| Matching Capital Grant                     |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|--|--|---------------|--|------------|---------------|
| 3. Cost Containment                        | <i>See Selection Criteria</i>  |               | <b>Point Scoring</b><br>Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.                 | <b>10</b>  |               |
| 4. Public Funds Leveraging                 | <i>See Selection Criteria</i>  |               | <b>Point Scoring</b><br>Add <b>2 points</b> for every \$500,000 of non-LACAHSA public support in the project, up to a maximum of 10 points.  | <b>10</b>  |               |
| 5. Total LACAHSA Subsidy                   | Sum of Residual Receipts Loan and Matching Capital Grant may not exceed 15% of total development cost. |               | <b>Threshold Requirement</b><br>When combined, is the sum of the requested Residual Receipts Loan and any Matching Capital Grant funding less than or equal to 15% of total development costs?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| <b>H. Tie Breakers (Order of Priority)</b> |  |               |  |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i>  |               | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)  |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i>  |               | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark   |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i>  |               | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist   |            |               |

| Document Checklist                       |                          |
|--|--------------------------|
| Required Documents                       | Provided?                |
| <b>1. Organizational and Eligibility</b> |                          |
| Articles/Bylaws/501(c)(3), Good Standing | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI    | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs  | <input type="checkbox"/> |

| Document Checklist   |                          |
|--|--------------------------|
| Required Documents   | Provided?                |
| Public resolution; Housing Element/AFFH (if public)                  | <input type="checkbox"/> |
| <b>2. Real Estate &amp; Land Use (If Applicable)</b>                 |                          |
| Site control, prelim title, ALTA                                     | <input type="checkbox"/> |
| Zoning status/approvals, permits (if any)                            | <input type="checkbox"/> |
| Will-serve/utilities, flood  | <input type="checkbox"/> |
| <b>3. Environmental Compliance (Status) (If Applicable)</b>          |                          |
| CEQA/NEPA status (NOE/NOD; ND/MND/EIR; CatEx/EA/FONSI/EIS)           | <input type="checkbox"/> |
| Phase I/II ESA; mitigation matrix                                    | <input type="checkbox"/> |
| <b>4. Design/Construction/Labor (Readiness) (If Applicable)</b>      |                          |
| Prelim Plans/specs; schedule   | <input type="checkbox"/> |
| Plan & cost review; GMP/bids (if any)                                | <input type="checkbox"/> |
| GC quals; Prevailing Wage/PLA; ADA                                   | <input type="checkbox"/> |
| <b>5. Rehabilitation &amp; Physical Needs (Rehab Only)</b>           |                          |
| PNA + component reports; rehab scope                                 | <input type="checkbox"/> |
| Engineering/seismic  | <input type="checkbox"/> |
| <b>6. Financing &amp; Economics</b>                                  |                          |
| Uniform Workbook; S&U; pro forma                                     | <input type="checkbox"/> |
| Appraisal/cost; market study   | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                                      | <input type="checkbox"/> |
| <b>7. Affordability, Compliance &amp; Operations (If Applicable)</b> |                          |
| Draft regulatory agreement; rent schedule                            | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                           | <input type="checkbox"/> |
| SNDA (if any)  | <input type="checkbox"/> |
| <b>8. Resident Impacts &amp; Services (If Applicable)</b>            |                          |
| Community outreach; engagement plan (A/R)                            | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                             | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)                     | <input type="checkbox"/> |
| <b>9. Product-Specific Supplements</b>                               |                          |
| Grant budget & match   | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-8]

**Exhibit C-8: Product Terms, Scorecard, and Document Checklist**  
***Operating Deficit Reserve***

| Operating Deficit Reserve                  |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|--|--|---|--------------------|------------|---------------|
| <b>A. Purpose &amp; Form of Assistance</b> |  |   |                    |            |               |
| 1. Purpose & Form of Assistance            | <p>Provide reserve funding to cover operating shortfalls in affordable housing projects to the extent rental income is insufficient to meet stabilized operating costs. Structured as reserve commitments rather than capital gap financing.</p> <p>Funds to be held by LACAHSA or a designated trustee in a segregated interest-bearing account (with interest accruing to LACAHSA). Draws require owner certification of deficit, evidence of primary reserve depletion, and LACAHSA approval.</p>           | N/A   |                    |            |               |
| <b>B. Eligibility</b>                      |  |   |                    |            | <b>25</b>     |
| 1. Projects                                | <p>New-construction, acquisition, and acquisition/rehabilitation (including both heavy and light rehabilitation) affordable rental projects with units restricted to households at or below 80% of AMI, with priority for projects serving households at or below 50% AMI.</p> <p>Use of funds limited to operating purposes including operating shortfalls, debt service, or unanticipated operating expenses after depletion of primary reserves.</p> <p>Cannot be combined with Rental Subsidy program.</p> | <p><b>Threshold Requirements</b></p> <p>Is this a new-construction, acquisition, or acquisition/rehabilitation project with units restricted at or below 80% of AMI?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p> <p>Is this project also requesting Rental Subsidy funding?</p> <p><b>If YES, disqualified</b><br/> <b>If NO, proceed</b></p> <p><b>Point Scoring</b></p> <p>Add <b>5 points</b> for projects with a majority of units restricted at or below 50% of AMI.</p> |                    | <b>15</b>  |               |

| Operating Deficit Reserve |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|---------------------------|--|---------------|--|------------|---------------|
|                           |  |               | <p>Add <b>5 points</b> for projects where LACAHSA is not the senior lender.</p> <p>Add <b>5 points</b> for sponsors that are non-profits or Emerging Developers.</p>   |            |               |
| 2. Owners                 | Eligible Nonprofits, Private Entities  |               | <p><b>Threshold Requirements</b></p> <p>Is the project owned by either an Eligible Nonprofit entity or a Private Entity?</p> <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>   |            |               |
| 3. Readiness to Proceed   | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Readiness to Proceed Checklist) within 12 months of award. |               | <p><b>Threshold Requirements</b></p> <p>Is the project ready to proceed within the required timeframe based on the following?</p> <p>(i) Complete pro forma financial model;</p> <p>(ii) Preliminary financing commitments from all non-LACAHSA funders;</p> <p>(iii) Evidence of site control;</p> <p>(iv) Site development plan provided;</p> <p>(v) Evidence of appropriate zoning;</p> <p>(vi) Market study provided;</p> <p>(vii) Physical needs assessment (for rehab projects) provided</p> <p>(viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</p> <p><b>If YES to all, proceed</b><br/> <b>If NO to any, disqualified</b></p> <p><b>Point Scoring</b></p> <p>Add points for the following:</p> <p>(i) Full architectural drawings by licensed architect (<b>2 points</b>);</p> <p>(ii) Full environmental clearance with no further action required (<b>2 Points</b>);</p> <p>(iii) General contractor (a) has been engaged (<b>1 point</b>), (b) has helped develop the construction/rehab budget (<b>1 additional point</b>), is</p> | <b>10</b>  |               |

| Operating Deficit Reserve                 |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|---|---|---------------|--|------------|---------------|
|   |   |               | bound by a fully executed contract ( <b>1 additional point</b> );<br>(iv) All permits or permit-ready letters (subject only to payment of fees) in hand ( <b>3 points</b> )  |            |               |
| <b>C. Loan Size and Structure</b>         |   |               |  |            |               |
| 1. Maximum Amount                         | Up to \$500,000 per project (sized based on underwriting)   |               | <b>Threshold Requirement</b><br>Is the funding amount less than or equal to \$500,000?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                               |            |               |
| 2. Term                                   | Up to 60 months, commencing at stabilization.   |               | <b>Threshold Requirement</b><br>Is the term less than or equal to 60 months?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| 3. Rate Lock/ Commitment Options          | Reserve may be created immediately (e.g., at closing on an acquisition loan) or forward-committed up to 36 months in advance of permanent conversion (e.g., for new-construction projects)  |               | N/A  |            |               |
| <b>D. Loan Costs</b>                      |   |               |  |            |               |
| 1. Application Deposit                    | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products, no additional deposit is required. |               | N/A  |            |               |
| 2. Upfront Origination Fee                | \$5,000   |               | <b>Threshold Requirement</b><br>Does the model assume a \$5,000 origination fee?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                                     |            |               |
| 3. Plan and Cost Review/ Monitoring Costs | Where applicable, borrower to cover the cost of LACAHSA's plan and cost reviewer/construction monitor   |               | <b>Threshold Requirement</b><br>Does the model assume proper plan and cost review / monitoring costs based on LACAHSA Standard Construction Review & Monitoring Assumptions? |            |               |

| Operating Deficit Reserve             |   | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|---------------------------------------|---|--|---|------------|---------------|
|                                       |   |  | <b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 4. Annual Compliance Monitoring Costs | Annual Compliance Monitoring Fee equal to \$3,000; \$1,500 Analysis Fee per draw request  |  | <b>Threshold Requirement</b><br>Does the model assume an Annual Compliance Monitoring Fee equal to \$3,000?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |            |               |
| <b>E. Public Benefit Requirements</b> |   |  |   | <b>18</b>  |               |
| 1. Affordability Restrictions         | <p><u>New Construction:</u></p> <p><b>Option 1: 100% Affordable Building up to 80% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) 10% of units at or below 50% of AMI and<br/>           (3) 100% of total development units at or below 80% of AMI</p> <p><b>Option 2: 100% Affordable Building up to 120% of AMI:</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) the greater of 50 units or 50% of units in the development must be at or below 50% of AMI.<br/>           (3) Remaining units may be up to 120% of AMI.</p> <p>Units financed with LACAHSA financing all must be at or below 50% of AMI.</p> <p><b>Option 3: Mixed-Income Building (including units above 120% of AMI):</b><br/>           (1) 10% of units at or below 30% of AMI and<br/>           (2) 10% of units at or below 50% of AMI and<br/>           (3) Remaining LACAHSA-financed units at or below 80% of AMI</p> <p><u>Acquisition/Rehabilitation:</u><br/>           Measure A assistance must be limited to units designated for households at or below 120 percent of AMI, except that 10 percent of units must be reserved for extremely</p> | <p><b>Threshold Requirements</b><br/>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?<br/><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> <p><b>Point Scoring</b><br/>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1% below the minimum discount to market based on LACAHSA affordability standards under <b>Option 1</b>, up to a maximum of 10 points. <i>That is, assuming the LACAHSA affordability standards under Option 1, each unit will produce some discount to market rents as measured by HUD FMR (i.e., the difference between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p>Add <b>3 points</b> for a 99-year affordability election.</p> | <b>13</b>   |            |               |

| Operating Deficit Reserve     |   | Product Terms | Selection Criteria | Max. Score | Project Score |
|-------------------------------|---|---------------|--------------------|------------|---------------|
|                               | <p>low-income households and 10 percent of units must be reserved for very low-income households.</p> <p><u>All Projects:</u><br/>Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance. Agency funds cannot be used in connection with any unit that is <i>solely</i> income restricted due to density bonus, development incentives, or similar programs (See Section 2(I) of this NOFA for details). All LACAHSA-funded units must be both income- and rent-restricted.</p> |               |                    |            |               |
| 2. Project Labor Requirements | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project.   | N/A           |                    |            |               |
| 3. Resident Engagement        | For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after contract award. Prior to contract award, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.   | N/A           |                    |            |               |
| 4. Tenant Protections         | For acquisition/rehabilitation projects, no displacement, tenant portion of rents fixed for 1 year following rehab, tenant portion of rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households on-site ( <i>e.g., rent is greater than 50% of household income</i> ).   | N/A           |                    |            |               |

| Operating Deficit Reserve           |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|---|---|--------------------|------------|---------------|
| 5. Resident Services                | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., seniors, formerly homeless).  | <b>Point Scoring</b><br>Add points for providing services consistent with LACAHSA standards as follows: <b>1 point</b> for each Service Category listed in the LACAHSA Services Standards, up to a maximum of 5 points.   | 5                  |            |               |
| <b>F. Credit Risk Standards</b>     |   |   |                    | 42         |               |
| 1. Sponsor/Guarantor                |   |   |                    |            |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards.  | <b>Threshold Requirements</b><br>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.<br><br><b>Point Scoring</b><br>(i) Add points as follows: <b>1 point</b> per year of development experience in Los Angeles County above 5 years, up to a maximum of 5 points, and <b>1 point</b> for each project in Los Angeles County above 3 projects in the past 15 years, up to a maximum of 2 points.<br>(ii) Deduct points as follows: <b>-5 points</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -15 points, and <b>-5 points</b> for each portfolio project with DSCR below 1.0x, up to -15 points. | 7                  |            |               |
| b. Sponsor Financial Strength       | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <b>Threshold Requirement</b><br>Sponsor must have at least (i) \$3 million of net worth for private entities and \$1 million for Eligible Nonprofit entities/Emerging Developers and (ii) \$1 million of liquidity for private entities and \$500k for Eligible Nonprofit entities/Emerging Developers.   |                    |            |               |
| 2. Leverage                         |   |   |                    |            |               |

| Operating Deficit Reserve         |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-----------------------------------|--|---|--------------------|------------|---------------|
| a. Max. Loan-to-Cost (LTC) Ratio  | 90% LTC on senior permanent financing<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)  | <b>Threshold Requirement</b><br>Does the model assume the proper maximum LTC ratios?<br><br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                                |                    |            |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on senior permanent financing<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)  | <b>Threshold Requirement</b><br>Does the model assume the proper maximum LTV ratios?<br><br><b>If YES, proceed</b><br><b>If NO, disqualified</b>                                |                    |            |               |
| 3. Operating Income               |  |   |                    |            |               |
| a. Verification of Assumptions    | Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario.<br><br>Owners must certify tenant eligibility and rent reasonableness annually. Payments remitted by LACAHSA to owner/operator, benchmarked to Fair Market Rent or alternative rent schedule, as approved. | <b>Point Scoring</b><br>Add <b>5 points</b> for total operating expenses within +/- 3% of market study estimates.   | 5                  |            |               |
| b. Vacancy Assumptions            | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure).   | <b>Threshold Requirement</b><br>Does the model assume at least 5% or 10% vacancy as applicable by unit type?<br><br><b>If YES, proceed</b><br><b>If NO, disqualified</b>        |                    |            |               |
| c. Income Trending                | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.   | <b>Threshold Requirement</b><br>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?<br><br><b>If YES, proceed</b><br><b>If NO, disqualified</b> |                    |            |               |
| 4. Operating Expenses             |  |   |                    |            |               |
| a. Verification of Assumptions    | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.   | N/A   |                    |            |               |

| Operating Deficit Reserve          |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|------------------------------------|--|---|--------------------|------------|---------------|
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption. | N/A   |                    |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.  | <i>See F(3)(c) above</i>  |                    |            |               |
| 5. Debt Service Coverage (DSC)     |  |   |                    |            |               |
| a. Senior Coverage                 | 1.15x minimum<br><br>(Senior debt must have a term of no less than 10 years and an amortization period of no more than 40 years)             | <b>Threshold Requirement</b><br><br>Does the model assume at least 1.15x DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |                    |            |               |
| b. All-in Coverage                 | 1.05x minimum  | <b>Threshold Requirement</b><br><br>Does the model assume at least 1.05x all-in DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |                    |            |               |
| 6. Reserves                        |  |   |                    |            |               |
| a. Debt Service Reserve            | As determined by perm lender   |   |                    | <b>0</b>   |               |
| b. Replacement Reserve             | Greater of \$250/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment.                                  | <b>Threshold Requirement</b><br><br>Is replacement reserve sized at a minimum of \$250/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |                    |            |               |
| c. Operating Reserve               | As determined by perm lender, can be shown assuming award of operating subsidy funds.  | N/A   |                    |            |               |
| d. Capitalized Interest Reserve    | As required by lenders.  | N/A   |                    |            |               |
| 7. Property Management/Services    |  |   |                    |            |               |
| a. Manager Experience              | Property manager to be reviewed and approved by LACAHSA prior to contract award.   | <b>Point Scoring</b><br><br>(i) Add points as follows: <b>2 points</b> for at least 10 years of income restricted property management experience on projects in California and <b>1 point</b> for each income restricted project managed in Los Angeles County in the past 15 years, up to a maximum of 5 points.<br><br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 | <b>7</b>           |            |               |

| Operating Deficit Reserve        |   | Product Terms   | Selection Criteria | Max. Score | Project Score |
|----------------------------------|---|---|--------------------|------------|---------------|
|                                  |   | years of income restricted property management experience in California and <b>-1 point</b> for less than 2 income restricted projects managed in California in the past 15 years.  |                    |            |               |
| b. Service Provider Experience   | Any social service providers to be reviewed and approved by LACAHSA prior to contract award.            | <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>2 points</b> for at least 10 years of services experience in California and <b>1 point</b> for each project served in Los Angeles County in the past 15 years, up to a maximum of 5 points.</p> <p>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for less than 2 projects served in Los Angeles County in the past 15 years.</p> | 7                  |            |               |
| c. Services Plan and Budget      | Where social services provided, full services plan and budget will be required prior to contract award. | N/A   |                    |            |               |
| <b>G. Efficiency Standards</b>   |   |   |                    |            | 25            |
| 1. Sponsor/Related Party Capital |   | <p><b>Point Scoring</b></p> <p>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-3 points</b> for every percentage point of interest rate on a such a loan above 8%.</p>  | 0                  |            |               |
| 2. Developer Fee                 | Where applicable, projects to comply with LACAHSA Developer Fee Standards.                              | <p><b>Threshold Requirement</b></p> <p>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add <b>1.5 points</b> for every \$150k by which cash developer fee is lower than the maximum allowed for the project under the Subordinate Must-Pay Loan or Residual Receipts Loan threshold requirements, up to a maximum of 15 points.</p>                    | 15                 |            |               |

| Operating Deficit Reserve                  |                               | Product Terms | Selection Criteria  | Max. Score | Project Score |
|--|-------------------------------|---------------|---|------------|---------------|
| 3. Cost Containment                        | <i>See Selection Criteria</i> |               | <b>Point Scoring</b><br>Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is <i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.* | 10         |               |
| <b>H. Tie Breakers (Order of Priority)</b> |                               |               |   |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i> |               | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)   |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i> |               | Advantage to the project with total development cost per square foot representing the greatest discount to the LACAHSA Unit Cost Benchmark  |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i> |               | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist  |            |               |

\*As the definition of Adjusted Total Development Cost excludes any LACAHSA Operating Deficit Reserve, the reserve will not affect a project's cost containment scoring for any Financing Product.

| Document Checklist  |                          |
|---|--------------------------|
| Required Documents  | Provided?                |
| <b>1. Organizational and Eligibility</b>                  |                          |
| Articles/Bylaws/501©(3), Good Standing                    | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI                     | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs                   | <input type="checkbox"/> |
| Public resolution; Housing Element/AFFH (if public)       | <input type="checkbox"/> |
| <b>2. Financing &amp; Economics</b>                       |                          |
| Uniform Workbook; S&U; pro forma                          | <input type="checkbox"/> |
| Appraisal/cost; market study                              | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                           | <input type="checkbox"/> |
| <b>3. Affordability, Compliance &amp; Operations</b>      |                          |
| Draft regulatory agreement; rent schedule                 | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                | <input type="checkbox"/> |
| SNDA (if any)   | <input type="checkbox"/> |
| <b>4. Resident Impacts &amp; Services (If Applicable)</b> |                          |
| Community outreach; engagement plan (A/R)                 | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                  | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)          | <input type="checkbox"/> |
| <b>5. Product-Specific Supplements</b>                    |                          |
| Subsidy Structure   | <input type="checkbox"/> |

[INSERT SECTION DIVIDER: EXHIBIT C-9]

**Exhibit C-9: Product Terms, Scorecard, and Document Checklist**  
***Rental Subsidy***

| Rental Subsidy                             |   |  | Max. Score | Project Score |
|--|---|--|------------|---------------|
| Product Terms                              |   | Selection Criteria   |            |               |
| <b>A. Purpose &amp; Form of Assistance</b> |   |  |            |               |
| 1. Purpose & Form of Assistance            | Provide ongoing rental subsidy assistance, through project-based rental subsidy contracts, in order to stabilize projects serving extremely low-income households and help ensure long-term project viability.  | N/A  |            |               |
| <b>B. Eligibility</b>                      |   |  |            | 25            |
| 1. Projects                                | <p>New-construction, acquisition, and acquisition/rehabilitation (including both Substantial and Light rehabilitation) affordable rental projects with units restricted to households at or below 30% of AMI.</p> <p>Funds may not be used for capital costs, reserves, or developer fees. Funds cannot be combined with Operating Deficit Reserve program.</p> <p>Selection will focus on projects that <u>need</u> subsidy to leverage (1) permanent debt or (2) to increase affordability beyond current requirements; projects that are feasible without LACAHSA subsidy will be at a disadvantage.</p> <p>Preference for projects financed with LACAHSA Senior Permanent Loan.</p> | <p><b>Threshold Requirements</b></p> <p>Is this a new-construction, acquisition, or acquisition/rehabilitation project with units restricted at or below 30% of AMI?</p> <p>If YES, proceed<br/>If NO, disqualified</p> <p>Is this project also requesting Operating Deficit Reserve funding?</p> <p>If YES, disqualified<br/>If NO, proceed</p> <p><b>Point Scoring</b></p> <p>Add <b>10 points</b> for new-construction projects.</p> <p>Add <b>5 points</b> for projects financed with LACAHSA Senior Permanent Loan.</p> | 15         |               |
| 2. Owners                                  | Eligible Nonprofits, Private Entities   | <b>Threshold Requirements</b><br>Is the project owned by either an Eligible Nonprofit entity or a Private Entity?  |            |               |

| Rental Subsidy          |  | Product Terms | Selection Criteria   | Max. Score | Project Score |
|-------------------------|--|---------------|--|------------|---------------|
|                         |  |               | <p><b>If YES, proceed</b><br/> <b>If NO, disqualified</b></p>  |            |               |
| 3. Readiness to Proceed | Projects must demonstrate readiness to close on construction and permanent financing (as evidenced by meeting all threshold requirements in LACAHSA's Readiness to Proceed Checklist) within 12 months of award. |               | <p><b>Threshold Requirements</b></p> <p>Is the project ready to proceed within the required timeframe based on the following?</p> <ul style="list-style-type: none"> <li>(i) Complete pro forma financial model;</li> <li>(ii) Preliminary financing commitments from all non-LACAHSA funders;</li> <li>(iii) Evidence of site control;</li> <li>(iv) Site development plan provided;</li> <li>(v) Evidence of appropriate zoning;</li> <li>(vi) Market study provided;</li> <li>(vii) Physical needs assessment (for rehab projects) provided</li> <li>(viii) Commitment letter/letter of intent for permanent financing from a non-LACAHSA source</li> </ul> <p><b>If YES to all, proceed</b><br/> <b>If NO to any, disqualified</b></p> <p><b>Point Scoring</b></p> <p>Add points for the following:</p> <ul style="list-style-type: none"> <li>(i) Full architectural drawings by licensed architect <b>(2 points)</b>;</li> <li>(ii) Full environmental clearance with no further action required <b>(2 Points)</b>;</li> <li>(iii) General contractor (a) has been engaged <b>(1 point)</b>, (b) has helped develop the construction/rehab budget <b>(1 additional point)</b>, is bound by a fully executed contract <b>(1 additional point)</b>;</li> <li>(iv) All permits or permit-ready letters (subject only to payment of fees) in hand <b>(3 points)</b></li> </ul> | 10         |               |

| Rental Subsidy                    |  | Product Terms  | Selection Criteria | Max. Score | Project Score |
|-----------------------------------|--|--|--------------------|------------|---------------|
| <b>C. Loan Size and Structure</b> |  |  |                    |            |               |
| 1. Maximum Amount                 | <p>Subsidy will pay the difference between the tenant-paid affordable rent and applicable HUD Fair Market Rents.</p> <p>While subsidy <i>per unit</i> will not vary with need, the <i>number of units</i> awarded subsidy may. LACAHSA will work closely with Sponsors to ensure total subsidy is consistent with project need.</p>  | <p><b>Threshold Requirement</b></p> <p>Is the annual funding amount sized based on program standards?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p> |                    |            |               |
| 2. Term                           | Up to 20 years (renewable, subject to funding availability)  | <p><b>Threshold Requirement</b></p> <p>Is the term less than or equal to 20 years?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>                    |                    |            |               |
| 3. Rate Lock/ Commitment Options  | Subsidy may be delivered immediately (e.g., at closing on an acquisition loan) or forward-committed up to 48 months in advance of permanent conversion (e.g., for new-construction projects) as follows: Up to 12 months prior to construction closing plus up to 36 months of construction. Projects failing to close on within 12 months of LACAHSA subsidy commitment may be assessed negative points in future LACAHSA funding rounds. | N/A  |                    |            |               |
| <b>D. Loan Costs</b>              |  |  |                    |            |               |
| 1. Application Deposit            | Non-refundable deposits of \$5,000 due within 30 days of NOFA selection and \$5,000 due at LACAHSA financing commitment (both applied as a credit to legal and advisory costs/fees at closing). In the case of multiple LACAHSA loan/grant products, no additional deposit is required.  | N/A  |                    |            |               |

| Rental Subsidy                               |  | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|--|--|---|--|------------|---------------|
| 2. Upfront Origination Fee                   | \$10,000   |   | <p><b>Threshold Requirement</b></p> <p>Does the model assume a \$10,000 origination fee?</p> <p>If YES, proceed</p> <p>If NO, disqualified</p>                           |            |               |
| 6. Plan and Cost Review/<br>Monitoring Costs | N/A  |   | N/A  |            |               |
| 7. Annual Compliance<br>Monitoring Costs     | Annual Compliance Monitoring Fee equal to \$3,500  |   | <p><b>Threshold Requirement</b></p> <p>Does the model assume an Annual Compliance Monitoring Fee equal to \$3,500?</p> <p>If YES, proceed</p> <p>If NO, disqualified</p> |            |               |
| <b>E. Public Benefit Requirements</b>        |  |   |  | <b>23</b>  |               |
| 1. Affordability<br>Restrictions             | <p>All Subsidized units restricted at or below 30% of AMI.</p> <p>Affordability enforced pursuant to a minimum 55-year regulatory agreement. Owners must certify tenant eligibility and rent reasonableness annually. LACAHSA retains rights to audit and enforce compliance.</p> <p>Quarterly reports and annual audited financial statements are required.</p> | <p><b>Threshold Requirements</b></p> <p>Does the proposed unit mix meet required minimum standards for either new construction or acquisition, as applicable?</p> <p>If YES, proceed</p> <p>If NO, disqualified</p> <p><b>Point Scoring</b></p> <p>Add points for additional affordability (as determined by per-bedroom discount to HUD Fair Market Rents) as follows: <b>1 point</b> for every 1% below the minimum discount to market based on LACAHSA affordability standards, up to a maximum of 10 points. <i>That is, assuming the LACAHSA</i></p> | <b>3</b>   |            |               |

| Rental Subsidy                | Product Terms   | Selection Criteria   | Max. Score | Project Score |
|-------------------------------|---|--|------------|---------------|
|                               |   | <p><i>affordability standards under Option 1, each unit will produce some discount to market rents as measured by HUD FMR (i.e., the difference between HUD FMR and the proposed rents). The sum of these discounts is the project's baseline affordability requirement for the purposes of this calculation. For every percentage point by which the project's actual affordability requirement is below the baseline affordability requirement, the project will receive 1 point. This score is automatically calculated in the Uniform Application Workbook.</i></p> <p><b>Add 3 points</b> for a 99-year affordability election.</p> |            |               |
| 2. Project Labor Requirements | For all projects, construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. Additionally, construction or rehabilitation contracts for projects with 40 units or more must include provisions requiring compliance with the applicable Project Labor Agreement based on the location of the project. | N/A  |            |               |
| 3. Resident Engagement        | For acquisition/rehabilitation projects, LACAHSA will work with sponsors to ensure robust resident engagement before and after contract award. Prior to contract award, sponsors must provide a description of engagement efforts taken to date and a proposed future engagement plan and schedule for LACAHSA review and approval.                                     | N/A  |            |               |
| 4. Tenant Protections         | For acquisition/rehabilitation projects, no displacement, tenant portion of rents fixed for 1 year following rehab, tenant portion of rent increases limited to 4% per annum or less if required by local rent control. Program to be developed to address existing rent-burdened households  | N/A  |            |               |

| Rental Subsidy                      |  | Product Terms   | Selection Criteria | Max. Score | Project Score |
|-------------------------------------|--|---|--------------------|------------|---------------|
|                                     | on-site (e.g., rent is greater than 50% of household income).  |   |                    |            |               |
| 5. Resident Services                | Sponsors will be required to provide resident services consistent with the tenant population and any special setasides (e.g., seniors, formerly homeless).   | <p><b>Point Scoring</b></p> <p>Add points for providing services consistent with LACAHSA standards as follows: <b>5 points</b> for a Case Manager and <b>3 points</b> for each additional Service Category listed in the LACAHSA Services Standards (i.e., categories 2-6), up to a maximum of 20 points.</p>   | <b>20</b>          |            |               |
| <b>F. Credit Risk Standards</b>     |  |   |                    | <b>42</b>  |               |
| 1. Sponsor/Guarantor                |  |   |                    |            |               |
| a. Sponsor Experience/ Track Record | LACAHSA will review sponsor development experience, staffing and depth of project team, development pipeline, management plan and experience, references, and similar information for compliance with LACAHSA standards. | <p><b>Threshold Requirements</b></p> <p>Either the project sponsor or sponsor's lead project manager must (i) have completed (i.e., secured Certificate of Occupancy/Completion) a minimum of 3 affordable multifamily rental housing projects in California in the past 10 years or (ii) otherwise be eligible for full experience points from CDLAC/TCAC.</p> <p><b>Point Scoring</b></p> <p>(i) Add points as follows: <b>1 point</b> per year of extremely low-income/permanent supportive housing project development and operating experience in Los Angeles County above 5 years, up to a maximum of 8 points, and <b>1 point</b> for each completed and operated extremely low-income/permanent supportive housing project in Los Angeles County above 3 projects in the past 15 years, up to a maximum of 6 points.</p> <p>(ii) Deduct points as follows: <b>-5 points</b> for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -15 points,</p> | <b>14</b>          |            |               |

| Rental Subsidy                    |   | Product Terms  | Selection Criteria  | Max. Score | Project Score |
|-----------------------------------|---|--|---|------------|---------------|
|                                   |   |  | and <b>-5 points</b> for each portfolio project with DSCR below 1.0x, up to <b>-15 points</b> . |            |               |
| b. Sponsor Financial Strength     | LACAHSA will analyze sponsor/guarantor financials—including multiyear calculations of liquidity and net worth, as well as contingent liabilities—and portfolio performance to gauge financial management capacity and ensure entities have the financial strength to step in and assist if a project struggles financially. | <p><b>Threshold Requirement</b><br/>Sponsor must have at least (i) \$3 million of net worth for private entities and \$1 million for Eligible Nonprofit entities and (ii) \$1 million of liquidity for private entities and \$500k for Eligible Nonprofit entities.</p> <p><b>Point Scoring</b><br/>Add <b>1 point</b> for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities and <b>1 point</b> for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.</p> | <b>2</b>  |            |               |
| c. Sponsor Contribution           | <i>See Selection Criteria</i>   | <p><b>Point Scoring</b><br/>Add <b>1 point</b> for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 4 points.</p>  | <b>4</b>  |            |               |
| 2. Leverage                       |   |  |   |            |               |
| a. Max. Loan-to-Cost (LTC) Ratio  | 90% LTC on senior permanent financing<br><br>95% All-in LTC (100% including LACAHSA's Subordinate B-Note)   | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTC ratios?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>  |   |            |               |
| b. Max. Loan-to-Value (LTV) Ratio | 90% LTV on senior permanent financing<br><br>95% All-in LTV (100% including LACAHSA's Subordinate B-Note)   | <p><b>Threshold Requirement</b><br/>Does the model assume the proper maximum LTV ratios?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>  |   |            |               |
| 3. Operating Income               |   |  |   |            |               |

| Rental Subsidy                     |   | Product Terms  | Selection Criteria | Max. Score | Project Score |
|------------------------------------|---|--|--------------------|------------|---------------|
| a. Verification of Assumptions     | <p>Restricted rents, market rents, and commercial/non-residential income to be estimated based on an updated market study and verified via an appraisal with as-stabilized valuation scenario.</p> <p>Owners must certify tenant eligibility and rent reasonableness annually. Payments remitted by LACAHSA to owner/operator, benchmarked to Fair Market Rent or alternative rent schedule, as approved.</p> | <p><b>Point Scoring</b></p> <p>(i) Add <b>1 point</b> for total operating expenses no higher than market study estimate and an additional <b>1 point</b> for total operating expenses at least 5% lower than market study estimate. (ii) Deduct points as follows: <b>-1 point</b> for income exceeding market study estimate by at least 5% and an additional <b>-1 point</b> for income exceeding market study estimate by at least 10%.</p> |                    | <b>2</b>   |               |
| b. Vacancy Assumptions             | Vacancy assumptions equal to the greater of 5% or appraisal figure (for all but subsidized permanent supportive housing units, which requires the greater of 10% or appraisal figure).  | <p><b>Threshold Requirement</b></p> <p>Does the model assume at least 5% or 10% vacancy as applicable by unit type?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>   |                    |            |               |
| c. Income Trending                 | Assume lesser of 2.5% annual growth, 1 percentage point higher than expense trending, or appraisal figure.  | <p><b>Threshold Requirement</b></p> <p>Does the model assume 2.5% annual income trending and 3.5% annual expense trending?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>  |                    |            |               |
| 4. Operating Expenses              |   | Ress   |                    |            |               |
| a. Verification of Assumptions     | All operating expense assumptions to be verified via an appraisal with as-stabilized valuation scenario.  | N/A  |                    |            |               |
| b. Taxes and Abatement Assumptions | Assumed tax abatements must be supported by the appraisal and borrower due diligence establishing eligibility for the Welfare Tax Exemption.  | N/A  |                    |            |               |
| c. Expense Trending                | Assume greater of 3% annual growth or appraisal figure.   | <i>See F(3)(c) above</i>   |                    |            |               |
| 5. Debt Service Coverage (DSC)     |   |  |                    |            |               |
| a. Senior Coverage                 | <p>1.15x minimum</p> <p>(Senior debt must have a term of no less than 10 years and an amortization period of no more than 40 years)</p>   | <p><b>Threshold Requirement</b></p> <p>Does the model assume at least 1.15x DSC?</p> <p><b>If YES, proceed</b><br/><b>If NO, disqualified</b></p>  |                    |            |               |

| Rental Subsidy                  |   | Product Terms | Selection Criteria  | Max. Score | Project Score |
|---------------------------------|---|---------------|---|------------|---------------|
| b. All-in Coverage              | 1.05x minimum   |               | <b>Threshold Requirement</b><br>Does the model assume at least 1.05x all-in DSC?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  |            |               |
| 6. Reserves                     |   |               |   |            |               |
| a. Debt Service Reserve         | As determined by perm lender  |               |   | <b>0</b>   |               |
| b. Replacement Reserve          | Greater of \$300/unit/year or the amount assumed/recommended in the appraisal or physical needs assessment. |               | <b>Threshold Requirement</b><br>Is replacement reserve sized at a minimum of \$300/unit/year?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   |            |               |
| c. Operating Reserve            | As determined by perm lender.   |               | <b>Threshold Requirement</b><br>Is the operating reserve sized at a minimum of 3 months' operating expenses?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>  | <b>6</b>   |               |
| d. Capitalized Interest Reserve | As required by lenders.   |               | N/A   |            |               |
| 7. Property Management/Services |   |               |   |            |               |
| a. Manager Experience           | Property manager to be reviewed and approved by LACAHSA prior to contract award.                            |               | <b>Point Scoring</b><br>(i) Add points as follows: <b>3 points</b> for at least 10 years of property management experience on extremely-low income/permanent supportive housing projects in California and <b>1 point</b> for each extremely low income/permanent supportive housing project managed in Los Angeles County in the past 15 years, up to a maximum of 5 points.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of income restricted property management experience in California and <b>-1 point</b> for less than 2 | <b>8</b>   |               |

| Rental Subsidy                   |   | Product Terms | Selection Criteria   | Max. Score | Project Score |
|----------------------------------|---|---------------|--|------------|---------------|
|                                  |   |               | income restricted projects managed in California in the past 15 years.   |            |               |
| b. Service Provider Experience   | Any social service providers to be reviewed and approved by LACAHSA prior to contract award.            |               | <u>Point Scoring</u><br>(i) Add points as follows: <b>2 points</b> for at least 10 years of services experience in California and <b>1 point</b> for each extremely low-income/permanent supportive housing project served in Los Angeles County in the past 15 years, up to a maximum of 6 points.<br>(ii) Deduct points as follows: <b>-1 point</b> for less than 3 years of services experience in California and <b>-1 point</b> for less than 2 projects served in Los Angeles County in the past 15 years. | <b>6</b>   |               |
| c. Services Plan and Budget      | Where social services provided, full services plan and budget will be required prior to contract award. |               | N/A  |            |               |
| <b>G. Efficiency Standards</b>   |   |               |  | <b>10</b>  |               |
| 1. Sponsor/Related Party Capital | <i>See Selection Criteria</i>   |               | <u>Point Scoring</u><br>Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: <b>-3 points</b> for every percentage point of interest rate on a such a loan above 8%.  | <b>0</b>   |               |
| 2. Developer Fee                 | Where applicable, projects to comply with LACAHSA Developer Fee Standards.                              |               | <u>Threshold Requirement</u><br>Does the model assume developer fees no higher than LACAHSA Developer Fee Standards?<br><b>If YES, proceed</b><br><b>If NO, disqualified</b>   | <b>0</b>   |               |
| 3. Cost Containment              | <i>See Selection Criteria</i>   |               | <u>Point Scoring</u><br>Option 1 (New Construction/Rehab): Add points as follows: <b>2.5 points</b> for every 5% by which a project's Adjusted Total Development Cost per square foot is   | <b>10</b>  |               |

| Rental Subsidy                             |                               | Product Terms | Selection Criteria  | Max. Score | Project Score |
|--|-------------------------------|---------------|---|------------|---------------|
|  |                               |               | <p><i>lower</i> than the LACAHSA Unit Cost Benchmark, up to a maximum of 10 points.</p> <p>Option 2 (Existing Projects- No Construction/ Rehab): Add points as follows: <b>2 points</b> for every 10% of lower per unit subsidy requested compared to the HUD SAFMR rents</p> |            |               |
| <b>H. Tie Breakers (Order of Priority)</b> |                               |               |   |            |               |
| 1. Affordability Per Subsidy Dollar        | <i>See Selection Criteria</i> |               | Advantage to the project with the greatest affordability (as measured by percentage discount to market per bedroom) per dollar of LACAHSA support (including all LACAHSA capital sources)   |            |               |
| 2. Lowest TDC by Unit Type                 | <i>See Selection Criteria</i> |               | Advantage to sponsors that have developed the greatest number of extremely low-income/permanent supportive housing projects in Los Angeles County   |            |               |
| 3. Greatest Readiness                      | <i>See Selection Criteria</i> |               | Advantage to the project with the highest points on LACAHSA Readiness to Proceed Checklist  |            |               |

| Document Checklist                                  |                          |
|---|--------------------------|
| Required Documents                                  | Provided?                |
| <b>1. Organizational and Eligibility</b>            |                          |
| Articles/Bylaws/501(c)(3), Good Standing            | <input type="checkbox"/> |
| Org chart, principals/guarantors, COI               | <input type="checkbox"/> |
| Sponsor/guarantor financials & org docs             | <input type="checkbox"/> |
| Public resolution; Housing Element/AFFH (if public) | <input type="checkbox"/> |
| <b>2. Financing &amp; Economics</b>                 |                          |
| Uniform Workbook; S&U; pro forma                    | <input type="checkbox"/> |
| Appraisal/cost; market study                        | <input type="checkbox"/> |
| Financing LOIs/commitments; SLR                     | <input type="checkbox"/> |

|   |                          |
|---|--------------------------|
| <b>3. Affordability, Compliance &amp; Operations</b>      |                          |
| Draft regulatory agreement; rent schedule                 | <input type="checkbox"/> |
| PM plan; reporting & compliance; insurance                | <input type="checkbox"/> |
| SNDA (if any)   | <input type="checkbox"/> |
| <b>4. Resident Impacts &amp; Services (If Applicable)</b> |                          |
| Community outreach; engagement plan (A/R)                 | <input type="checkbox"/> |
| Relocation plan; income certs (A/R only)                  | <input type="checkbox"/> |
| Services plan & provider agreements (if PSH/ELI)          | <input type="checkbox"/> |
| <b>5. Product-Specific Supplements</b>                    |                          |
| Subsidy structure   | <input type="checkbox"/> |

## [INSERT SECTION DIVIDER: EXHIBIT D]

## Exhibit D: Certifications and Legal Disclosure Forms

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# Certification and Legal Disclosure Form

## Instructions

The Los Angeles County Affordable Housing Solutions Agency (“LACAHSA”) requires all applicants to complete a Certification and Legal Disclosure Form (“Disclosure Form”). LACAHSA uses the Disclosure Form to confirm the accuracy and completeness of the information that the applicant provides in the application and to identify any legal issues that may affect the proposed project and use of LACAHSA funds.

The Disclosure Form includes a certification section and a questionnaire. In certification section of the Disclosure Form, applicants must attest to: (1) the accuracy of the information they provided in the application, (2) their legal authority to submit the application, (3) the disclosure of any persons or entities that will provide goods or services to the project, (4) the legal status of the Project and the property on which it is proposed, and (5) the public nature of the information in the application. The questionnaire covers the applicant and certain related parties’ civil and criminal legal history, including any bankruptcies, receiverships, defaults on loans, foreclosures, civil litigation, administrative or civil settlements, decisions, or judgments, and criminal charges or convictions. Applicants must provide an explanation for any positive responses to any questions regarding the applicant’s legal history. Some parties, including certain public entities, members of the boards of directors of nonprofit corporations and certain executive officers, are not required to complete the questionnaire.

| Applicant Entity Information |                 |
|------------------------------|-----------------|
| Name                         |                 |
| Entity Type                  | Choose an item. |
| Address                      |                 |

## Certification

On behalf of the entity identified above, I certify that:

1. The information, statements and attachments included in this application are, to the best of my knowledge and belief, true and correct.
2. I possess the legal authority to submit this application on behalf of the entity identified in this application and the attached signature block.
3. The following is a complete disclosure of all identities of interest - of all persons or entities, including affiliates, that will provide goods or services to the Project either (a) in one or more capacity or (b) that qualify as a "Related Party" to any person or entity that will provide goods or services to the Project. "Related Party" is defined in the California Tax Credit Allocation Committee (CTCAC) Regulations (California Code of Regulations Section 10302):

4. As of the date of application, the project, or the real property on which the project is proposed, is not party to or the subject of any claim or action at the State or Federal appellate level.
5. I have disclosed and described below any claim or action undertaken which affects or potentially affects the feasibility of the Project. In addition, I acknowledge that all information in this application and attachments is public, and may be disclosed by LACAHSA.

|              |                    |           |      |
|--------------|--------------------|-----------|------|
|              |                    |           |      |
| Printed Name | Title of Signatory | Signature | Date |

## Legal Disclosure

| Applicant Entity Information |                 |
|------------------------------|-----------------|
| Name                         |                 |
| Entity Type                  | Choose an item. |
| Address                      |                 |

For purposes of the following questions, and with the exceptions noted below, the term “applicant” shall include the applicant, joint applicant, sponsor(s), and any subsidiary of the applicant, joint applicant, or sponsor(s) if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the project.

In addition to each of these entities themselves, the term “applicant” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company. For projects using tax-exempt bonds, it shall also include the individual who will be executing the bond purchase agreement.

The following questions must be responded to for each entity if the entity and person qualifying as an “applicant” as defined above. **Exceptions:**

- Public entity applicants that do not have an ownership interest in the proposed project, including, but not limited to cities, counties, and joint powers authorities with 100 or more members, are not required to complete the following questionnaire.
- Members of the boards of directors of non-profit corporations, including officers of the boards, are also not required to respond. However, chief executive officers (Executive Directors, Chief Executive Officers, Presidents or their equivalent) must respond, as must chief financial officers (Treasurers, Chief Financial Officers, or their equivalent).

## Civil Matters

Explain all positive responses on a separate sheet and include with this questionnaire in the application.

|   |                 |
|---|-----------------|
| 1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan or been foreclosed against in the past ten years?   | Choose an item. |
| 2. Is the applicant currently a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application?   | Choose an item. |
| 3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the past ten years that materially and adversely affected (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application?  | Choose an item. |
| 4. Is the applicant currently subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency?                        | Choose an item. |
| 5. In the past ten years, has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? | Choose an item. |

## Criminal Matters

Explain all positive responses on a separate sheet and include with this questionnaire in the application.

|  |                 |
|--|-----------------|
| 6. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, felony charges against the applicant?  | Choose an item. |
| 7. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, misdemeanor charges against the applicant for matters relating to the conduct of the applicant's business?       | Choose an item. |
| 8. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any financial or fraud related crime? | Choose an item. |
| 9. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could materially affect the financial condition of the applicant's business?  | Choose an item. |
| 10. Within the past ten years, has the applicant been convicted of any felony?   | Choose an item. |
| 11. Within the past ten years, has the applicant been convicted of any misdemeanor related to the conduct of the applicant's business?   | Choose an item. |
| 12. Within the past ten years, has the applicant been convicted of any misdemeanor for any financial or fraud related crime?   | Choose an item. |

|              |                    |           |      |
|--------------|--------------------|-----------|------|
|              |                    |           |      |
| Printed Name | Title of Signatory | Signature | Date |

## [INSERT SECTION DIVIDER: EXHIBIT E]

## Exhibit E: Conflict of Interest Disclosures

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### **LACAHSA CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Each applicant must fill out and sign a Levine Act Compliance Form (Attachment 1) and a Conflict of Interest Disclosure Form (Attachment 2) and submit these forms with their application. Failure to submit these forms with the application may disqualify the applicant from further consideration. Attachments 1 and 2 are provided on the following pages.

*(Intentionally left blank, Attachment 1 begins on the following page)*

## **ATTACHMENT 1 - LEVINE ACT COMPLIANCE FORM**

This form must be completed separately by each applicant, including each prime contractor and subcontractor.

Pursuant to the Levine Act (Government Code section 84308), a member of the LACAHSA Board of Directors, LACAHSA Investment Review Committee, and other LACAHSA employee, officer, and/or alternate to an appointed member (including any contractors serving in this capacity) (each and collectively, the "LACAHSA Officer" or "LACAHSA Officers") are disqualified and not able to participate in a proceeding involving contracts, franchises, licenses, permits and other entitlements for use if the LACAHSA Officer received more than \$250 in contributions in the past 12 months from the applicant, any paid agent of the applicant, or any financially interested participant who actively supports or opposes a particular decision in the proceeding.

State law requires you to disclose information about contributions made by you, your company, and lobbyists and agents paid to represent you. Failure to complete the form in its entirety may result in significant delays in the processing of your application and potential disqualification from the application process.

You must fully answer the applicable questions below. You ("Declarant"), or your company, if applicable, including all entities identified below (collectively, "Declarant Company") must also answer the questions below. The term "employee(s)", as used here, is defined as employees, officers, partners, owners, or directors of Declarant Company.

An affirmative response to any questions will not automatically cause the disqualification or denial of your application. However, failure to answer questions completely, in good faith, or providing materially false answers may subject applicants to disqualification from the application process.

Complete each section below. State "none" if applicable.

### **A. COMPANY OR APPLICANT INFORMATION**

#### **1) Declarant Company or Applicant Name:**

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- a) If applicable, identify all subcontractors that have been or will be named in your bid or proposal:
  
- b) If applicable, variations and acronyms of Declarant Company's name used within the past 12 months:
  
- c) Identify all entities or individuals who have the authority to make decisions for you or Declarant Company about making contributions to a LACAHSA

Officer, regardless of whether you or Declarant Company have actually made a contribution:

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[IF A COMPANY, ANSWER QUESTIONS 2 - 3]

- 2) Identify only the parent(s), subsidiaries and related business entities that Declarant Company has controlled or directed, or been controlled or directed by. "Controlled or directed" means shared ownership, 50% or greater ownership, or shared management and control between the entities.
  - a) Parent(s):
  - b) Subsidiaries:
  - c) Related Business Entities:
- 3) If Declarant Company is a closed corporation (non-public, with under 35 shareholders), identify the majority shareholder.
- 4) Identify all entities (proprietorships, firms, partnerships, joint ventures, syndicates, business trusts, companies, corporations, limited liability companies, associations, committees, and any other organization or group of persons acting in concert) whose contributions you or Declarant Company have the authority to direct or control.
- 5) Identify any individuals such as employees, agents, attorneys, law firms, lobbyists, and lobbying firms who are or who will act on behalf of you or Declarant Company and who will receive compensation to communicate with a LACAHSA Officer regarding the award or approval of this contract or project, license, permit, or other entitlement for use.
- 6) If you or Declarant Company are a 501(c)(3) non-profit organization, identify the compensated officers of your organization and the compensated members of your board.

B. CONTRIBUTIONS

1) Have you or the Declarant Company solicited or directed your employee(s) or agent(s) to make contributions, whether through fundraising events, communications, or any other means, to a LACAHSA Officer in the past 12 months? If so, provide details of each occurrence, including the date.

| Date (contribution solicited or directed) | Name (of the contributor) | Recipient Name (LACAHSA Office) | Amount |
|---|---------------------------|---------------------------------|--------|
|   |                           |                                 |        |
|   |                           |                                 |        |
|   |                           |                                 |        |

\* Attach an additional page, if necessary

2) Disclose all contributions made by you or any of the entities and individuals identified in Section A to a LACAHSA Officer in the past 12 months.

| Date (contribution solicited or directed) | Name (of the contributor) | Recipient Name (LACAHSA Office) | Amount |
|---|---------------------------|---------------------------------|--------|
|   |                           |                                 |        |
|   |                           |                                 |        |
|   |                           |                                 |        |

\* Attach an additional page, if necessary

C. DECLARATION

By signing this Levine Act Compliance Form, you (Declarant), or you and the Declarant Company, if applicable, attest that you have read the entirety of the foregoing and the statements made herein are true and correct to the best of your knowledge and belief. (Only complete the one section that applies.)

There are \_\_\_\_\_ additional pages attached to this Levine Act Compliance Form.

COMPANY APPLICANTS

I, \_\_\_\_\_ (Authorized Representative), on behalf of \_\_\_\_\_ (Declarant Company), at which I am employed as \_\_\_\_\_ (Title), attest that after having made or caused to be made a reasonably diligent investigation regarding the Declarant Company, the foregoing responses, and the explanation on the attached page(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject Declarant Company to consequences, including disqualification of

its application or delays in the processing of the requested contract, license, permit, or other entitlement.

**IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:**

By signing this Levine Act Compliance Form, you also agree that, if Declarant Company hires an agent, such as, but not limited to, an attorney or lobbyist during the course of these proceedings and will compensate them for communicating with LACAHSA about this contract, application, project, permit, license, or other entitlement for use, you agree to inform LACAHSA of the identity of the agent or lobbyist and the date of their hire. You also agree to disclose to LACAHSA any future contributions made to members of the LACAHSA Board of Directors or any other LACAHSA Officer or employee by the Declarant Company, or, if applicable, any of the Declarant Company's proposed subcontractors, agents, lobbyists, and employees who have communicated or will communicate with LACAHSA about this contract, application, license, permit, or other entitlement after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, application, license, permit, or entitlement for use.

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Signature

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Date

**INDIVIDUAL APPLICANTS**

I, \_\_\_\_\_, declare that the foregoing responses and the explanation on the attached sheet(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject me to consequences, including disqualification of my application or delays in the processing of the requested license, permit, or other entitlement.

**IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:**

If I hire an agent or lobbyist during the course of these proceedings and will compensate them for communicating with LACAHSA about this contract, project, application, permit, license, or other entitlement for use, I agree to inform LACAHSA of the identity of the agent or lobbyist and the date of their hire. I also agree to disclose to LACAHSA any future contributions made to members of the LACAHSA Board of Directors or any other LACAHSA Officer or employee by me, or an agent such as, but not limited to, a lobbyist or attorney representing me, that are made after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.

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Signature

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Date

*(Intentionally left blank, Attachment 2 begins on the following page)*

## **ATTACHMENT 2 - CONFLICT OF INTEREST DISCLOSURE FORM**

\_\_\_\_\_ (“Applicant”), in submitting the application (“Application”) in response to the Los Angeles County Affordable Housing Solutions Agency (“LACAHSA”) Notice of Finding Availability #1 (Affordable Housing Production and Preservation) makes the following representations:

- A) Except as set forth in this Conflict of Interest Disclosure Form (“Disclosure Form”), Applicant does not have a direct or indirect financial interest in LACAHSA;
- B) Except as set forth in this Disclosure Form, no business or organization with which Applicant is associated has a direct or indirect financial interest in LACAHSA;
- C) Except as set forth in this Disclosure Form, Applicant does not have any other interest or relationship that would constitute a conflict of interest, or potential conflict of interest, with LACAHSA;
- D) Applicant declares and warrants that no elected or appointed official, board member, committee member, alternate, officer, or employee of LACAHSA has been or shall be compensated, directly or indirectly, in connection with the Application or any work connected with the Application. Should any agreement be approved in connection with the Application, Applicant declares and warrants that no elected or appointed official, board member, alternate, officer or employee of LACAHSA, during the term of their service with LACAHSA shall have any direct interest in that agreement, or obtain any present, anticipated or future material benefit arising therefrom.
- E) In the event that the circumstances under which I submitted this Disclosure Form change such that a response pertaining to items A through D must be provided, I will promptly contact LACAHSA and prepare a revised Disclosure Form.

### **DESCRIPTION OF POTENTIAL CONFLICTS OF INTEREST**

\*Attach addition page(s) if necessary

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Representing: \_\_\_\_\_

## [INSERT SECTION DIVIDER: EXHIBIT F]

## Exhibit F: Labor Requirements

### The Act and Measure A Construction Labor Requirements and Documentation

#### **Applicants Must Submit:**

1. Certification of intent to comply with prevailing wage requirements
2. Certification of PLA applicability (or written explanation of why PLA is not required)
3. Identification of the applicable PLA (City DPW PLA or Countywide CWA)
4. Draft labor compliance plan
5. If applicable, relocation of subcontractor labor tracking or workforce plan

#### **The Act**

##### **Government Code, § 64720.5:**

- (a) Any construction or rehabilitation project receiving funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers Issuer of which the agency is a member, including, but not limited to, a project with under 40 units, shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.
- (b) A project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers Issuer of which the agency is a member, only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works PLA. For purposes of this subdivision and subdivision (c), the number of units means the maximum number of units authorized in an entitlement granted by the land use permitting Issuer for the development project, regardless of whether construction or rehabilitation proceeds in phases or ownership is divided.
- (c) Notwithstanding subdivision (b), if a specific countywide project labor agreement is negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing and approved by the agency, then a project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers Issuer of which the agency is a member, only if all construction and rehabilitation is subject to the specific countywide project labor agreement rather than the Department of Public Works PLA.
- (d) For purposes of this section, “project labor agreement” has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.
- (e) For purposes of this section, “Department of Public Works PLA” means the City of Los Angeles Department of Public Works Project Labor Agreement 2020-2030 with Los Angeles/Orange Counties Building and Construction Trades Council, effective August 25, 2021.

*(Added by Stats. 2022, Ch. 661, Sec. 1. (SB 679) Effective January 1, 2023.)  
[continues on next page]*

## **Measure A**

### **Section 28 – Construction Work**

- A. It is the intent of this section to encourage the development of local job opportunities and career pathways into the building and construction trades, including but not limited to apprenticeship and pre-apprenticeship programs.
- B. Any construction or rehabilitation project receiving funding or financing from this Ordinance, including but not limited to a project of fewer than 40 units, shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with section 1720) of Part 7 of Division 2 of the Labor Code.
- C. A project of 40 or more units is eligible to receive funding or financing from this Ordinance only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works Project Labor Agreement 2020-2030 if the project is within the City of Los Angeles, or the Countywide Community Workforce Agreement executed by the Chief Executive Officer on June 7, 2023 if the project is elsewhere, or any successor to either agreement.
- D. For purposes of sections 28 and 29 of this Ordinance, the number of units means the maximum number of units authorized in an entitlement granted by the land use permitting Issuer for a development project, regardless of whether construction or rehabilitation proceeds in phases or project ownership is divided.
- E. The Designated Enforcement Agency (“DEA”) shall have Issuer to enforce Labor Code sections 1720-1815, as amended from time to time, for projects funded by the tax imposed by this Ordinance. Any developer, contractor, or subcontractor as to such projects shall be required to cooperate fully in any investigation the DEA initiates. For projects located in the City of Los Angeles, the DEA shall be the Department of Public Works, Bureau of Contract Administration. For projects elsewhere, the contracting Funding Recipient shall act as or designate the DEA. The DEA shall be authorized to work with joint labor management committees established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. section 175a) in order to carry out the enforcement/investigation duties under this Ordinance. A joint labor management committee may bring an action in any court of competent jurisdiction against an employer that fails to comply with the labor standards required under this Ordinance.
- F. Notwithstanding subsection C of this section, if a project labor agreement is agreed between the Funding Recipient or project developer, the Los Angeles/Orange Counties Building and Construction Trades Council, and the Western States Regional Council of Carpenters, then a project with 40 or more units is eligible to receive funding or financing from this Ordinance if all construction and rehabilitation is subject to that project labor agreement.
- G. For purposes of this Ordinance, “project labor agreement” has the meaning stated in subdivision (b)(1) of section 2500 of the Public Contract Code.

## [INSERT SECTION DIVIDER: EXHIBIT G]

## Exhibit G: Permissible Financing Product Combinations

### PERMISSIBLE FINANCING PRODUCT COMBINATIONS

Note: No more than [3] Capital programs can be combined + one Rental/Operating Subsidy Program

|                                     | Predevelopment<br>Loan | Senior<br>Construction<br>Loan | Senior<br>Permanent<br>Loan | Subordinate B-<br>Note | Residual<br>Receipts Loan | Light Rehab<br>Preservation<br>Loan | Matching Capital<br>Grant | Rental Subsidy | Operating<br>Subsidy |
|-------------------------------------|------------------------|--------------------------------|-----------------------------|------------------------|---------------------------|-------------------------------------|---------------------------|----------------|----------------------|
| Predevelopment<br>Loan              | NA                     | NO                             | NO                          | NO                     | NO                        | NO                                  | NO                        | NO             | NO                   |
| Senior<br>Construction<br>Loan      | NO                     | NA                             | NO                          | YES                    | LIHTC only                | Non-LIHTC only                      | YES                       | YES            | YES                  |
| Senior<br>Permanent<br>Loan         | NO                     | NO                             | NA                          | YES                    | LIHTC only                | NO                                  | YES                       | YES            | YES                  |
| Subordinate B-<br>Note              | NO                     | YES                            | YES                         | NA                     | NO                        | YES                                 | YES                       | YES            | YES                  |
| Residual<br>Receipts Loan           | NO                     | LIHTC only                     | LIHTC only                  | NO                     | NA                        | NO                                  | LIHTC only                | LIHTC only     | LIHTC only           |
| Light Rehab<br>Preservation<br>Loan | NO                     | Non-LIHTC only                 | NO                          | YES                    | NO                        | NA                                  | Non-LIHTC only            | Non-LIHTC only | Non-LIHTC only       |
| Matching Capital<br>Grant           | NO                     | YES                            | YES                         | YES                    | LIHTC only                | Non-LIHTC only                      | NA                        | YES            | YES                  |
| Rental Subsidy                      | NO                     | YES                            | YES                         | YES                    | LIHTC only                | Non-LIHTC only                      | YES                       | NA             | NO                   |
| Operating<br>Subsidy                | NO                     | YES                            | YES                         | YES                    | LIHTC only                | Non-LIHTC only                      | YES                       | NO             | NA                   |

[INSERT SECTION DIVIDER: EXHIBIT H]

## Exhibit H: LACAHSA Services Standards

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### Standards by Service Category (1-6)

1. **Case Manager.** Responsibilities must include (but are not limited to) working with tenants to develop and implement an individualized service plan, goal plan, or independent living plan. *Minimum ratio of 1 Full Time Equivalent (FTE) Case Manager to 300 restricted bedrooms.*
2. **Service Coordinator or Other Services Specialist.** Service coordinator responsibilities shall include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or other enrichment activities for tenants (such as holiday events, tenant council, etc.). Other services specialist must provide individualized assistance, counseling and/or advocacy to tenants, such as to assist them to access education, secure employment, secure benefits, gain skills or improve health and wellness. Includes, but is not limited to: Vocational/Employment Counselor, ADL or Supported Living Specialist, Substance Abuse or Mental Health Counselor, Peer Counselor, Domestic Violence Counselor. *Minimum ratio of 1 FTE Service Coordinator/Other Services Specialist to 500 restricted bedrooms.*
3. **Adult Educational, Health and Wellness, or Skill Building Classes.** Includes but is not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation, and smoking cessation classes. *Minimum of 70 hours of instruction each year (35 hours for development of 20 units or less).*
4. **Health or Behavioral Health Services.** Must be provided by appropriately licensed organization or individual. Includes but is not limited to: health clinic, adult day health center, medication management services, mental health services and treatment, substance abuse services and treatment, and if appropriate, visiting nurses programs, intergenerational visiting programs, or senior companion programs.
5. **Licensed Child Care.** Shall be available 20 hours or more per week, Monday through Friday, to residents of the development. *(Only for large family projects or other projects in which at least 25% of restricted are 3 bedrooms or larger.)*
6. **After School Program for School-Age Children.** Includes, but is not limited to tutoring, mentoring, homework club, art and recreational activities. *(Only for large family projects or other projects in which at least 25% of Low-Income Units are 3 bedrooms or larger). Minimum of 10 hours per week, offered weekdays throughout the school year.*

As used in these standards, “restricted units” means units subject to LACAHSA affordability restrictions and “restricted bedrooms” means bedrooms in such units. In all cases, to receive points pursuant to these standards, the services offered must be consistent with the type of project proposed. For example, senior projects should not include after-school programs or child care, and projects with a significant concentration of permanent supportive housing should include case management and service coordination if possible.

## [INSERT SECTION DIVIDER: EXHIBIT I]

## **Exhibit I: Subordinate B-Note Repayment Details by Ownership Type**

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### **A. Net Cash Flow Payments During Term**

The proceeds funding LACAHSA Subordinate B-Note loans will be funded from an issuance of both tax-exempt and taxable bonds. Nonprofit developer applicants should meet the requirements of the Internal Revenue Code (the “Code”) related to 501(c)(3) tax-exempt bonds. For profit-owned projects will be funded with proceeds from the taxable tranche of the bond issuance. To maintain compliance with the Code, repayment terms will be as follows, based on ownership type:

Net Cash Flow, defined as the property’s Net Operating Income (effective gross income less the property’s operating expenses and replacement reserve deposits) less senior debt service payments, will adhere to the following repayment waterfall based on ownership structure:

#### **Nonprofit Owner and Nonprofit Developer**

(Funded with Tax-Exempt Bond Proceeds)

1. 100% of Net Cash Flow to repay deferred developer fee to the nonprofit developer until paid in full
2. 50% of remaining cash flow to repay LACAHSA current interest payment, accrued interest, and principal until all is repaid
3. Any remaining proceeds payable to the nonprofit owner

#### **Nonprofit Owner and For-Profit Fee Developer/Non-Owner Partner**

(Funded with Tax-Exempt Bond Proceeds)

1. 100% of Net Cash Flow to repay deferred developer fee to the for-profit fee developer/non-owner partner
2. 50% of remaining cash flow to repay LACAHSA current interest payment, accrued interest, and principal until all is repaid
3. Any remaining proceeds payable to the nonprofit owner

#### **For-Profit Owner/Developer**

(Funded with Taxable Bond Proceeds)

1. 100% of Net Cash Flow to repay deferred developer fee to for-profit developer/owner
2. 50% of remaining cash flow to repay LACAHSA current interest payment, accrued interest, and principal until all is repaid
3. Any remaining proceeds to the for-profit developer/owner

### **B. Net Cash Flow Payments at Capital Event**

Proceeds generated from a Capital Event, defined as a refinance or sale of the subject property, will adhere to the following waterfall:

#### **Nonprofit Owner and Nonprofit Developer**

(Funded with Tax-Exempt Bond Proceeds)

1. Senior debt unpaid principal balance repayment
2. Transaction Costs

3. Deferred developer fee repayment, if applicable, payable to nonprofit owner/developer
4. LACAHSA Accrued Interest Repayment, if applicable
5. 35% of remaining net proceeds to repay LACAHSA unpaid principal balance. Any remaining unpaid balance will be assumable in sale scenario or will resubordinate to the new lender in a refinance scenario.
6. Any remaining proceeds after LACAHSA repayment payable to the nonprofit owner

**Nonprofit Owner and For-Profit Fee Developer/Non-Owner Partner**

(Funded with Tax-Exempt Bond Proceeds)

1. Senior debt unpaid principal balance repayment
2. Transaction Costs
3. Deferred developer fee repayment, if applicable, payable to for-profit (non-owner) fee developer
4. LACAHSA Accrued Interest Repayment, if applicable
5. 35% of remaining net proceeds to repay LACAHSA unpaid principal balance. Any remaining unpaid balance will be assumable in sale scenario or will resubordinate to the new lender in a refinance scenario.
6. Any remaining proceeds after LACAHSA repayment payable to the nonprofit owner

**For-Profit Owner/Developer**

(Funded with Taxable Bond Proceeds)

1. Senior debt unpaid principal balance repayment
2. Transaction Costs
3. Deferred developer fee repayment, if applicable, payable to for-profit owner/developer
4. LACAHSA Accrued Interest Repayment, if applicable
5. 35% of remaining net proceeds to repay LACAHSA unpaid principal balance. Any remaining unpaid balance will be assumable in sale scenario or will resubordinate to the new lender in a refinance scenario.
6. Any remaining proceeds will be payable to the for-profit owner/developer