

# Now & Next

## Affordable Housing Alert

August 26, 2025

### Homes for LA: 2025 Affordable Housing Notice of Funding Availability

By Asim Lynch

On September 5, 2025, the Los Angeles Housing Department will begin accepting applications for over \$394 million in available funds, the department's largest solicitation in its history.



#### What's the impact?

- The Homes for LA NOFA has a total of seven unique funding programs focused on new construction of affordable housing, preservation of affordable housing, and stabilizing existing affordable housing through operating assistance funds.
- Programs have varying requirements based on project type and funding sources, including AMI minimums and labor standards, all of which can be found within LAHD's regulations.
- This is not your typical LAHD NOFA as loan limits are set based on overall total development costs, as opposed to LAHD's traditional method of setting per-unit subsidy amounts.

**Developers mark your calendars.** On September 5, 2025, the City of Los Angeles, through the Los Angeles Housing Department (LAHD), will release the Homes for LA: 2025 Affordable

Housing Notice of Funding Availability (Homes for LA NOFA). This initiative aims to create and preserve affordable housing, prevent homelessness, and support a range of households across the city. The Homes for LA NOFA brings together multiple funding sources and program types resulting in LAHD's largest NOFA in its history. This solicitation also marks a departure from LAHD's traditional method of allocating award amounts on a per-unit basis in favor of establishing awards as a percentage of total development costs. When available, applicants may apply at [LAHD's Homes for LA NOFA site](#).

## Available funding programs

The Homes for LA NOFA offers seven distinct funding programs sourced from city-controlled funds, each with its own terms and requirements. Funding is supported either by Pooled Sources (including HOME, California SB 2, and Los Angeles Affordable Housing Linkage Fee funding), or the United to House Los Angeles (ULA) funds.

The Homes for LA NOFA will solicit applications for the following funding programs:

### **POOLED SOURCES MULTIFAMILY**

*Pooled Sources Multifamily* supports the development of new affordable housing by providing gap financing to tax credit new construction and resyndication projects.

- / For new construction, adaptive reuse, and resyndication projects leveraging tax credits (LIHTC)
- / Up to \$77.6M available; 20-unit minimum; up to 30% of total development costs allowed; and available to for-profit developers

### **ULA MULTIFAMILY AFFORDABLE HOUSING**

*ULA Multifamily Affordable Housing* supports the development of new affordable housing by providing gap financing to LIHTC projects.

- / For new construction, and adaptive reuse projects leveraging LIHTC
- / Up to \$97.5M available; 40-unit minimum; up to 30% of total development costs allowed; and available to for-profit developers

### **POOLED SOURCES PRESERVATION**

*Pooled Sources Preservation* supports the preservation of existing affordable housing by providing soft loans to non-tax credit recapitalization projects.

- / For preservation-only recapitalization projects (no tax credit leverage required)

- / Up to \$77.6M available; no unit minimum; up to 30% of loan-to-costs (excluding acquisition costs and replacement reserves); and available to for-profit developers

### **ULA ACQUISITION AND REHABILITATION: PRESERVING AFFORDABILITY**

*ULA Acquisition and Rehabilitation: Preserving Affordability* supports preservation of affordable housing with expiring covenants (remaining term of less than 10 years) by providing gap financing to support tax credit acquisition, resyndication, and rehabilitation.

- / For acquisition and rehabilitation projects leveraging LIHTC
- / Up to \$30.4M available; no unit minimum; up to 30% of total development costs; however, a for-profit entity cannot be the managing general partner of the applicant

### **ULA ALTERNATIVE MODELS: PRESERVATION**

*ULA Alternative Models: Preservation* supports preservation of existing affordable housing by providing soft loans to non-tax credit recapitalization projects.

- / For preservation projects using alternative models (e.g., community land trusts, tenant governance) with no LIHTC leverage required
- / Up to \$52.9M available; no unit minimum; up to 100% of total development costs; however, a for-profit entity cannot be the managing general partner of the applicant

### **ULA ALTERNATIVE MODELS: NEW CONSTRUCTION**

*ULA Alternative Models: New Construction* intended to foster innovative models, provides soft loans to new construction and adaptive reuse projects that have a streamlined capital stack (non-tax credit) and include tenant governance.

- / For new construction using alternative models (no LIHTC leverage required)
- / Up to \$1011.5M available; 40-unit minimum; up to 80% of total development costs; however, a for-profit entity cannot be the managing general partner of the applicant

### **ULA OPERATING ASSISTANCE**

*ULA Operating Assistance* stabilizes existing affordable housing projects by replenishing project operating reserves and providing up to \$250,000 per project for minor emergency repairs.

- / For operating support to stabilize existing affordable housing already within LAHD's loan portfolio (no LIHTC leverage required)
- / Up to \$34.3M available; no unit minimum; up to \$4,000 per unit plus up to \$250,000 per

project for emergency capital needs; however, a for-profit entity cannot be the managing general partner of the applicant

## Who can apply and what are the standards?

Eligible applicants include nonprofit and for-profit developers, Community Land Trusts (CLTs), Limited Equity Housing Cooperatives (LEHCs), public entities, and other qualified organizations. However, who is considered an eligible applicant is program specific and should be verified within the program term sheets.

All applicants should be mindful of the following requirements:

- / Pooled Sources programs contain federal funds and are subject to Buy America Build America requirements.
- / For ULA Acquisition and Rehabilitation projects only—applicants must demonstrate the project has an expiring affordability covenant or Housing Assistance Payment (HAP) contract.
- / All applicants must demonstrate site control at the time of their application.
- / The allowed developer fee is based on the most recent TCAC standards for 9% and 4% credits, as applicable. Non-LIHTC projects must align the developer fee with TCAC 9% standards, and the ULA Operating Assistance Program does not allow for any developer fee.

Each of the programs bears a simple 3% interest rate, which may be lowered at LAHD's discretion, as well as affordability covenants which are between 50 years and perpetual in length.

More information regarding the programs, including proforma and underwriting guidelines, will be available when the application opens on September 5, 2025.

## Application process

- / **Applications must be submitted online** via the Homes for LA NOFA portal.
- / **No late or incomplete applications** will be accepted. The Homes for LA NOFA is anticipated to open on September 5, 2025, and applications are expected to be due on October 20, 2025.
- / **Key threshold documents** include site control, financial proformas, appraisals, environmental assessments, architectural plans, and more (see Appendix I in the NOFA regulations for a full checklist).
- / **Scoring** is based on feasibility, cost-effectiveness, readiness, site efficiency, priority populations, and other program-specific criteria.
- / **A Mandatory Bidder's Conference** will be held on August 27, 2025, to provide further guidance; anyone who is interested can register at the link below.

In certain instances, developers may submit multiple applications, using the same site and different strategies, to different programs, or cross-submit the same application to two programs, provided the application meets eligibility/threshold requirements for both programs.

It is highly recommended that applicants review the [Homes for LA NOFA regulations](#), along with the application when available.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

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