



LACAHS Funding Opportunities

NOFA Listening Session #1

October 9, 2025

Agenda

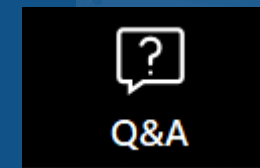
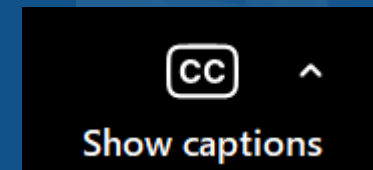
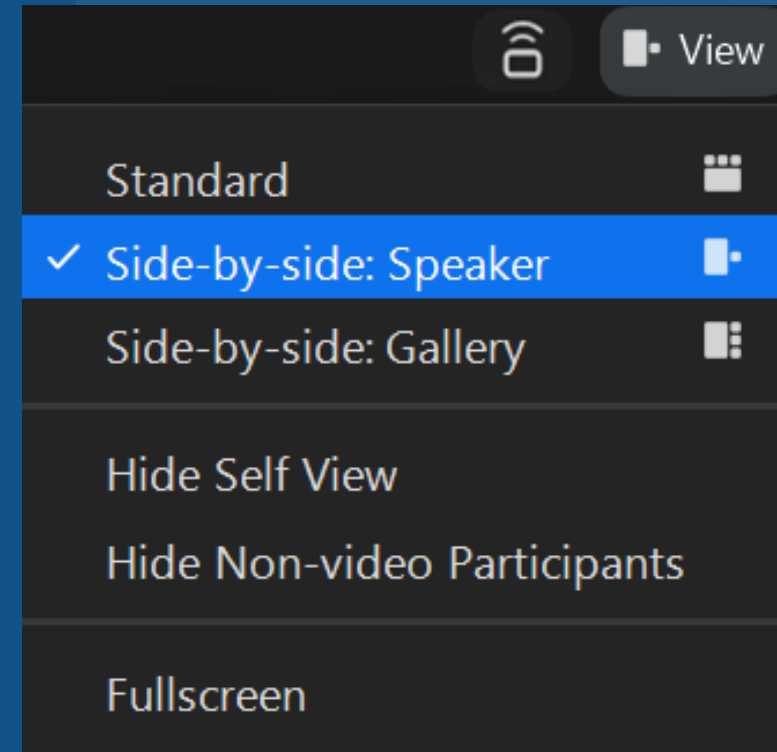
1. Welcome & Housekeeping (5 min)
2. About LCAHSA (5 min)
3. Production & Preservation Draft NOFA Overview (20 min)
4. NOFA Timeline & Public Comment Process (5 min)
5. NOFA Feedback & Clarifications (up to 60 min)

Housekeeping

1. Select Side-by-Side speaker mode for the best viewing experience when slides are shared

2. English closed captions are available. Choose “CC closed caption” on your toolbar and select "show captions."

3. We have dedicated time for Q&A following the presentation. Please add your questions in the Q&A Box.

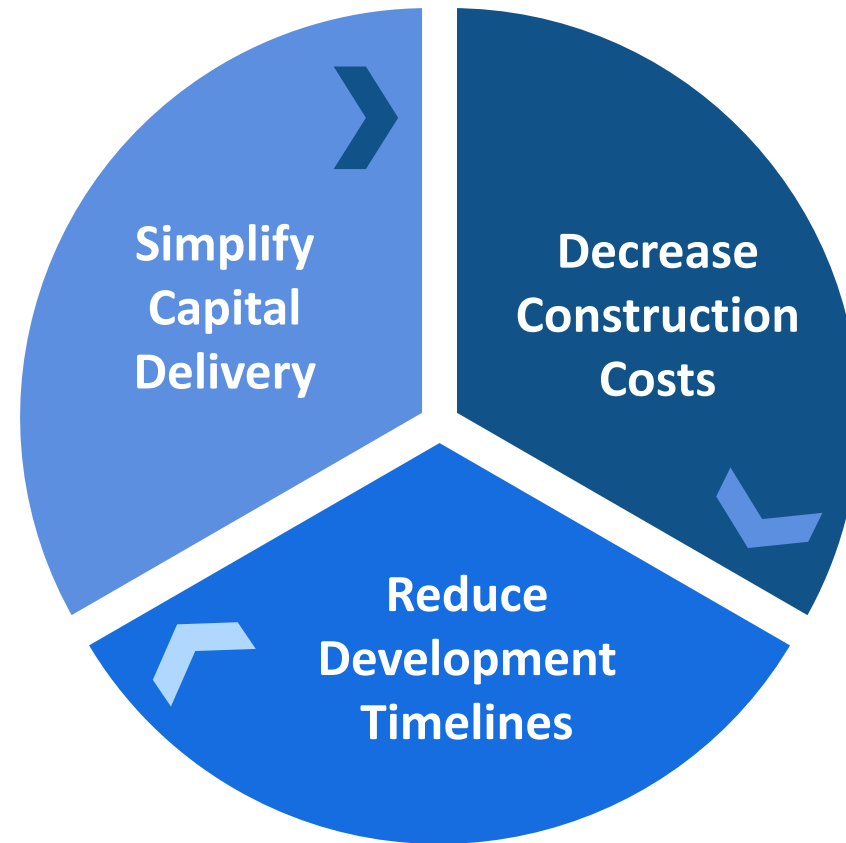


About LACAHS

The LA County Affordable Housing Solutions Agency (LACAHS) is a regional agency tasked with creating affordable housing solutions and keeping people in their homes.

LACAHS offers an expanded financing toolkit designed to enhance the development of affordable housing and reduce development timelines.

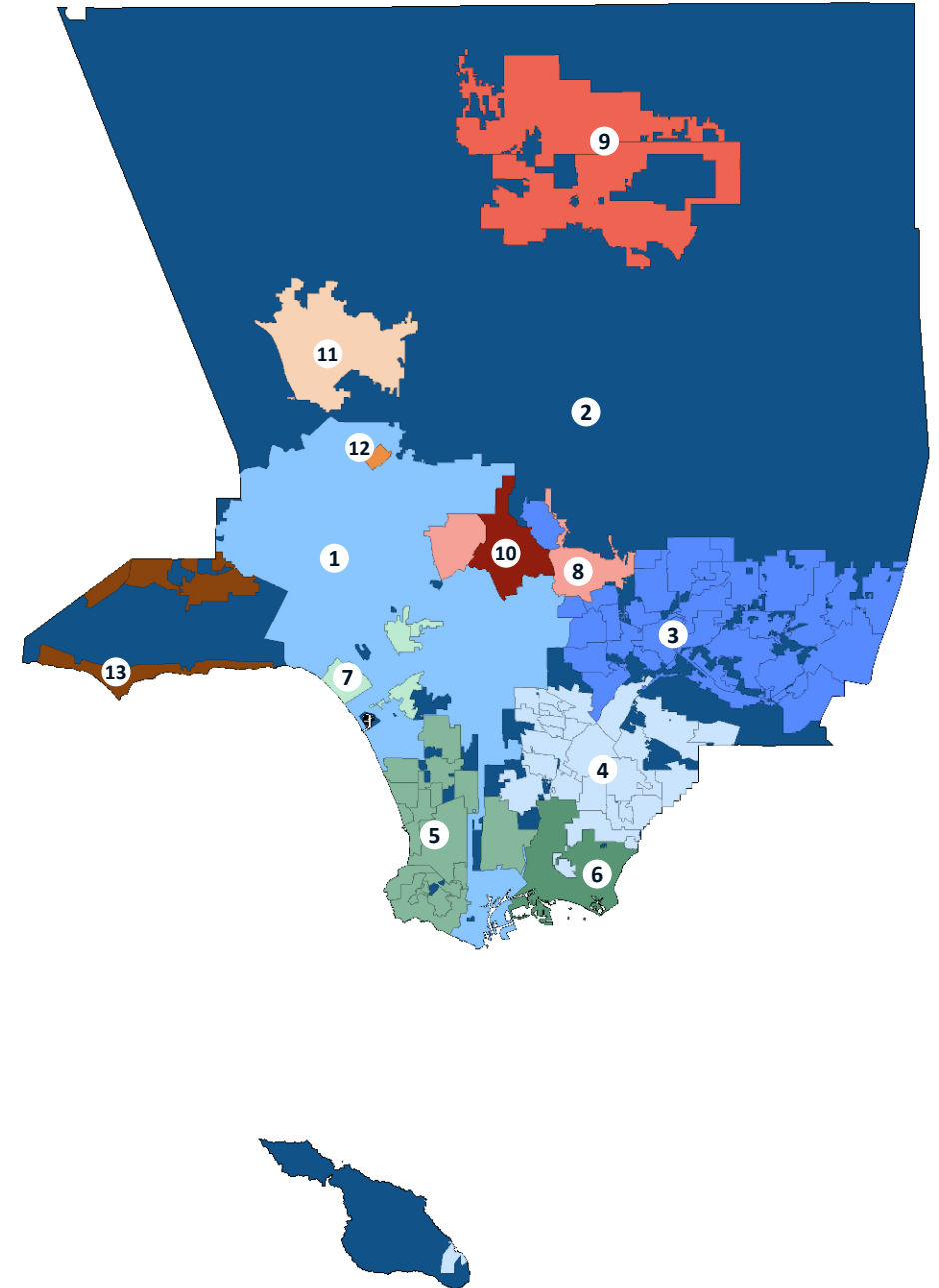
LACAHS will minimize complexity by simplifying capital structures to lower expenses and regulatory burdens.



Local Agency PPO Funds

Both LACAHSa and 13 local agencies will administer Measure A funds for production and preservation. Projects can apply for both LACAHSa and local funds.

1.	City of Los Angeles	\$87,267,000
2.	Unincorporated Los Angeles County	\$18,585,000
3.	San Gabriel Valley COG/RHT	\$16,157,000
4.	Gateway Cities COG/RHT	\$9,086,000
5.	South Bay Cities COG/RHT	\$7,302,000
6.	City of Long Beach	\$5,286,000
7.	Westside Cities COG	\$4,545,000
8.	Burbank-Glendale-Pasadena RHT	\$3,959,000
9.	North LA County Transportation Coalition JPA	\$2,896,000
10.	City of Glendale	\$2,647,000
11.	City of Santa Clarita	\$2,424,000
12.	San Fernando Valley COG	\$347,000
13.	Las Virgenes/Malibu COG	\$265,000
TOTAL		\$160,766,000



NOFA Highlights

LCAHSA has released its first draft Notice of Funding Availability (NOFA) for public review, targeting Affordable Housing Production and Preservation.

Offers a “Menu” of 10 Financial Products for applicants to apply for and combine, including:

- 8 loan and grant products (up to 3 per project)
- 2 rental and operating subsidy products (1 per project)

Competitive Scoring Criteria designed to encourage:

- Readiness to proceed
- Deeper, long-term affordability
- Lower development cost per square foot

Preferred Applicants are projects with 100% not-for-profit ownership

- Developer partnerships with nonprofits are permitted

Future NOFA Opportunities will target:

- Homeownership
- Community Land Trusts (CLTs)

November 2025:

Production and Preservation NOFA

January 2026:

Homeownership NOFA

Community Land Trusts NOFA

501(c)(3) Social Bond Structure

LACAHSA plans to issue a bond against the Measure A revenue stream to deploy future years of sales tax revenue and accelerate production. Direct access to bond proceeds is limited to not-for-profit ownership entities.

Eligibility

- Bond proceeds must be used on projects 100% owned by qualified 501(c)(3)
- Partnerships with non-501(c)(3) developers, contractors, asset/property managers are permitted

Partnership Requirements

- For-profit entity may NOT be part of ownership structure
- Boards of directors of nonprofit and non-501(c)(3) entities must be unrelated
- Full disclosure of all agreements between entities is required, including:
 - Development fee agreements
 - Asset management agreements
 - Subordinate debt or other financial interest between entities

Funding Allocation

- Approximately 90% of projects will be funded with social bond
- LACAHSA may use unpledged funds for some projects that don't qualify for social bond proceeds

LACAHSA Production & Preservation NOFA

LACAHSA's Production and Preservation NOFA, slated for November 2025, aims to invest \$210 million in multifamily rental production and preservation.

LACAHSA FY25-26 Production & Preservation NOFA

	Product Type	Production & Preservation NOFA
Multifamily Rental - Large Projects New Construction <i>(capital & subsidies)</i>	40+ units	\$151,415,000
Multifamily Rental - Small Projects New Construction <i>(capital & subsidies)</i>	5-39 units	\$30,283,100
Multifamily Rental - Large Projects Preservation <i>(capital & subsidies)</i>	40+ units	\$12,013,300
Multifamily Rental - Small Projects Preservation <i>(capital & subsidies)</i>	5-39 units	\$17,276,200
TOTAL PPO		\$210,967,600

Production & Preservation NOFA

The NOFA offers a “Menu of Financing Options” ranging from loans for predevelopment, new construction, preservation, and land acquisition to rental and operating subsidies.

LACAHSA Financial Products

Short-Term Financing	Predevelopment Loan	up to 3 per project
	Senior Construction Loan	
	Light Rehab Preservation Loan	
	Mini-Perm Preservation Loan	
Permanent & Gap Financing	Senior Permanent Loan	up to 3 per project
	Subordinate Must-Pay Loan	
	Residual Receipts Loan	
	Matching Capital Grant	
Subsidies	Rental Subsidies (30% AMI or below)	1 per project
	Operating Deficit Subsidies (80% AMI or below)	

Production & Preservation NOFA | Short-Term Financing

LACAHSA's financing products support developers across stages of a deal—from soft costs associated with property acquisition to rehab financing for buildings at risk of losing their affordability.

	Pre-Development Loan	Senior Construction Loan	Light Rehab Preservation Loan	Mini-Perm Preservation Loan
Purpose	cover costs through construction start	new construction or rehab	acquisition plus light rehab	preservation of affordable/NOAH units
Interest Rate	3.00%	SLGS + 2.25% or 1-month SOFR + 1.50%	SLGS + 1.75%	SLGS + 2.00%
Max Term	3 years	3 years	3 years	7 years
Max Amount	\$500,000	\$23,000,000	\$5,000,000	\$10,000,000
Readiness to Proceed	n/a	yes	yes	yes
Repayment	closing of construction financing	permanent financing	permanent financing	permanent financing

LACAHSA will offer a variety of senior and subordinate loans that can adapt to the unique financing structure of individual deals.

	Senior Permanent Loan	Subordinate Must-Pay Loan	Residual Receipts Loan	Matching Capital Grant
Purpose	long-term financing	subordinate loan for non-LIHTC projects	RR note for LIHTC projects	gap financing
Interest Rate	SLGS + 1.00%	SLGS + 2.50%	3.00%	3.00%
Max Term^{(a)(b)}	40 years	40 years	40 years	55 years
Max Amount	\$23,000,000	\$10,000,000	\$3,000,000	\$2,500,000
Readiness to Proceed	yes	yes	yes	yes
Repayment	amortizing loan & balloon	amortizing loan & balloon	RR and balloon	RR and forgivable at maturity if affordability extended

(a) Term cannot exceed term of senior note; (b) Outstanding principal due upon sale, refinance, or resyndication.

LCAHSA will offer ongoing rental and operating subsidies to encourage deeper affordability while ensuring properties have the necessary cash flow to cover operating expenses and loan obligations.

	Rental Subsidies	Operating Deficit Subsidies
Purpose	ongoing project-based rental subsidy	capitalized operating reserve or second-priority deficit reserve
AMI Limits	30% AMI or below	80% AMI or below
Max Term	20 years	5 years
Max Amount	based on HCV standards tenant-paid rents set at fixed levels pegged to AMI bands	\$500,000
Readiness to Proceed	yes	yes
Restrictions	cannot be used for capital costs, reserves, or developer fees; cannot be combined with operating subsidies	subsidies are structured as reserve commitments, not capital gap fillers; backstop funding for operating deficits to cover stabilized operating costs

In addition to requiring minimum unit mix standards, LACAHSa will award points based on affordability beyond the minimum and for 99-year covenant election.

	New Construction	Preservation
Affordability Restriction	<p>Option 1: 100% Affordable Building up to 80% AMI:</p> <ul style="list-style-type: none"> (1) 10% of units ≤ 30% AMI (2) 10% of units ≤ 50% AMI (3) Remaining units ≤ 80% AMI <p>Option 2: 100% Affordable Building up to 120% AMI*</p> <ul style="list-style-type: none"> (1) 10% of units ≤ 30% AMI (2) The greater of 50 units or 50% of units ≤ 50% AMI (3) Remaining units ≤ 120% AMI <p><i>*In Option 2, LACAHSa can only finance the 30% and 50% AMI units and not those units restricted due to development incentives, density bonuses, or similar programs.</i></p> <p>Option 3: Mixed-Income Building including units above 120% AMI</p> <ul style="list-style-type: none"> (1) 10% of units ≤ 30% AMI (2) 10% of units ≤ 50% AMI (3) Remaining LACAHSa-financed units ≤ 80% AMI 	<p>Measure A assistance is limited to units set aside for ≤ 120% AMI</p> <p>Unit Allocation:</p> <ul style="list-style-type: none"> • 10% of units reserved ≤ 30% AMI • 10% of units reserved ≤ 50% AMI <p>Affordability Period:</p> <ul style="list-style-type: none"> • Begins when 75% of units are occupied by households earning ≤ 120% AMI • Full affordability within 30 years of restrictive covenant recordation • Minor Rehabs: Full affordability by halfway point if assistance/unit is ≤ \$150K
Applicable Financial Products	<ul style="list-style-type: none"> • Senior Construction Loan • Senior Permanent Loan • Subordinate Must-Pay Loan • Residual Receipts Loan • Matching Capital Grant 	<ul style="list-style-type: none"> • Predevelopment Loan • Light Rehab Preservation Loan • Mini-Perm Preservation Loan
Note: Minimum affordability is enforced through a 55-year regulatory agreement.		

Production & Preservation NOFA | Scoring Criteria

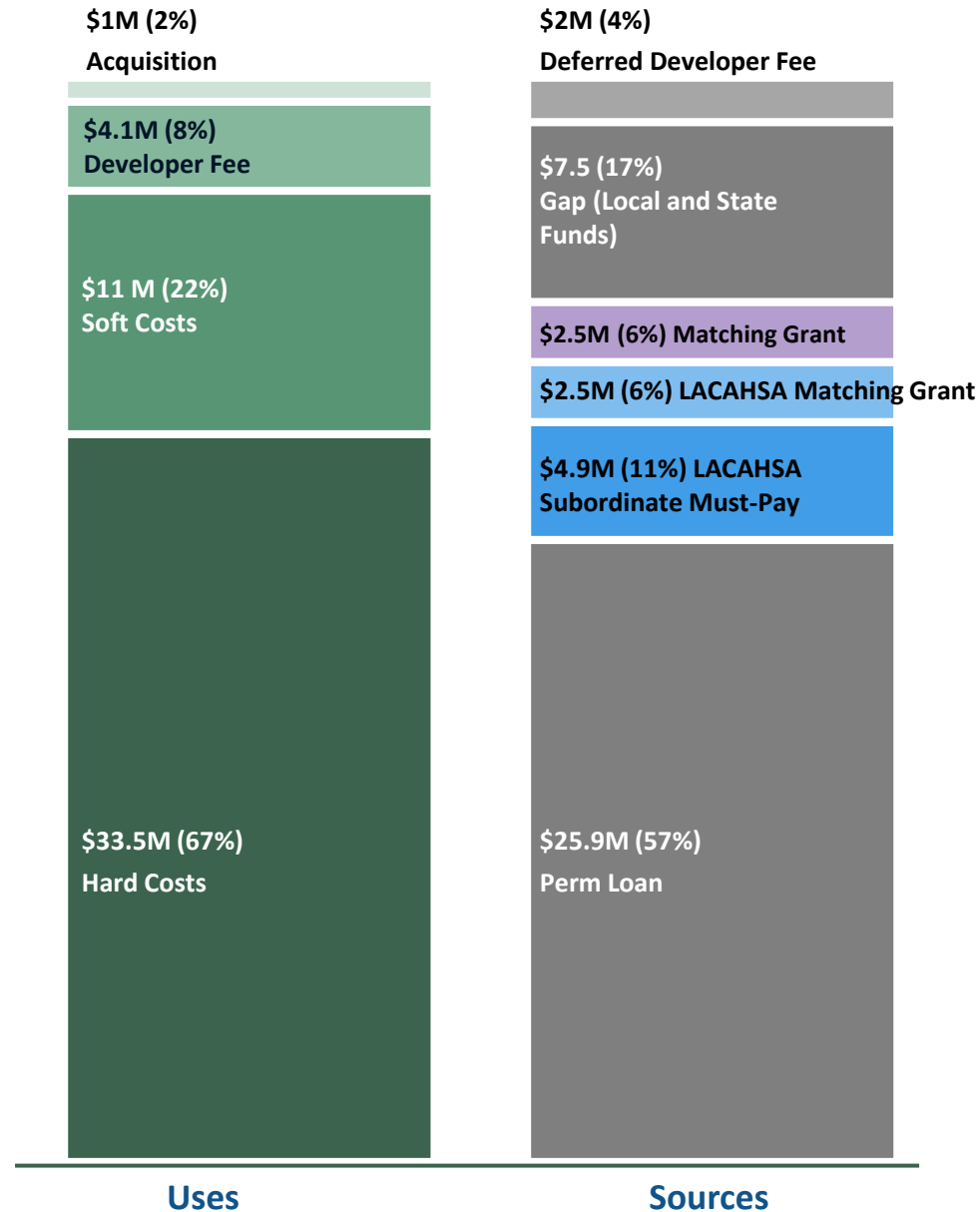
The NOFA is designed to incentivize projects that best support Measure A's goals.

Each financial product has its own scoring matrix; however, common priorities include:

Eligibility	Public Benefits	Credit Risk Standards	Efficiency Standards
<ul style="list-style-type: none">• new construction, acquisition, or rehabilitation (light or substantial)• projects owned by 501(c)(3) entities eligible for tax-exempt financing• projects ready to advance to construction	<ul style="list-style-type: none">• deeper levels of affordability• 99-year affordability election• resident services	<ul style="list-style-type: none">• sponsor track record & financial health• sponsor financing contribution• reasonable financial assumptions• manager/service provider experience	<ul style="list-style-type: none">• lower total cost of development compared to unit cost standards• TDC limits for residual receipts and grant projects• Reasonable developer fee and related-party return assumptions

Project Example

Non-LIHTC New Construction with Subordinate Must-Pay Loan



Key Assumptions

# of Units	100
Affordability Mix	10% @ 30% 10% @ 50% 80% @ 80%

Construction Type	Type V, Mid-Rise, New Construction
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Total Development Cost	\$45.1M
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Per Unit	\$451K
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Subordinate Must Pay Loan

Loan Term	15 years
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Amortization	40 years
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Interest Rate	5.54% (SLGS + 250bps)
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LTV	95% combined
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DSCR	1.05 combined
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Rental Subsidy

30% AMI Units	10
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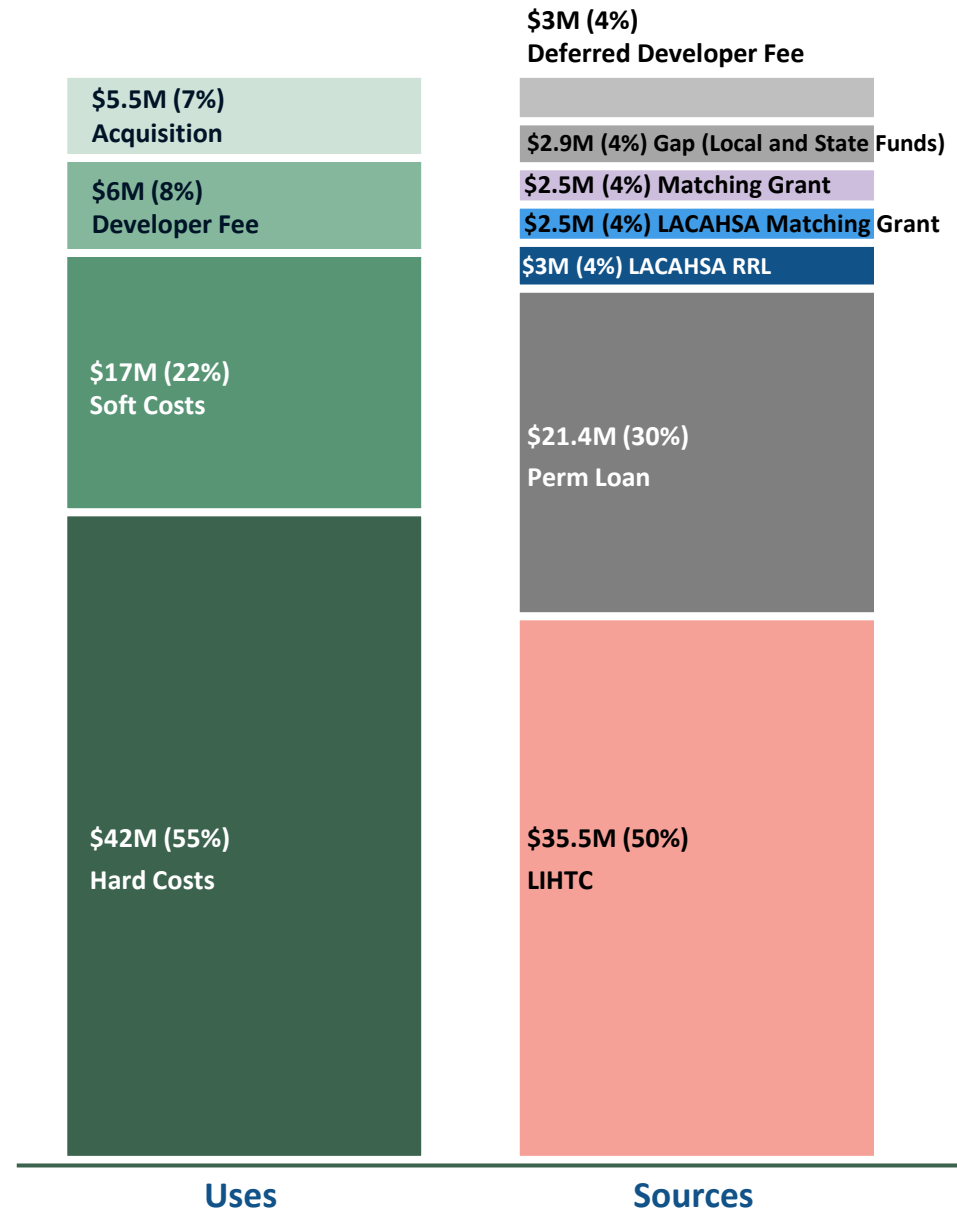
Annual Payment to Project	\$356K
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Term	20 years
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Assumes TBVs for 30% of all other units

Project Example

LIHTC New Construction with Residual Receipts Loan



Key Assumptions

# of Units	100
Affordability Mix	10% @ 30%
	20% @ 50%
	40% @ 60%
	30% @ 80%

Construction Type	Type V, Mid-Rise, New Construction
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Total Development Cost	\$70.9M
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Per Unit	\$709K
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Residual Receipts Loan

Term	15 years
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Repayment	50% split of cashflow
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Interest Rate (RRL)	3%
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LTV at exit	75%
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Rental Subsidy

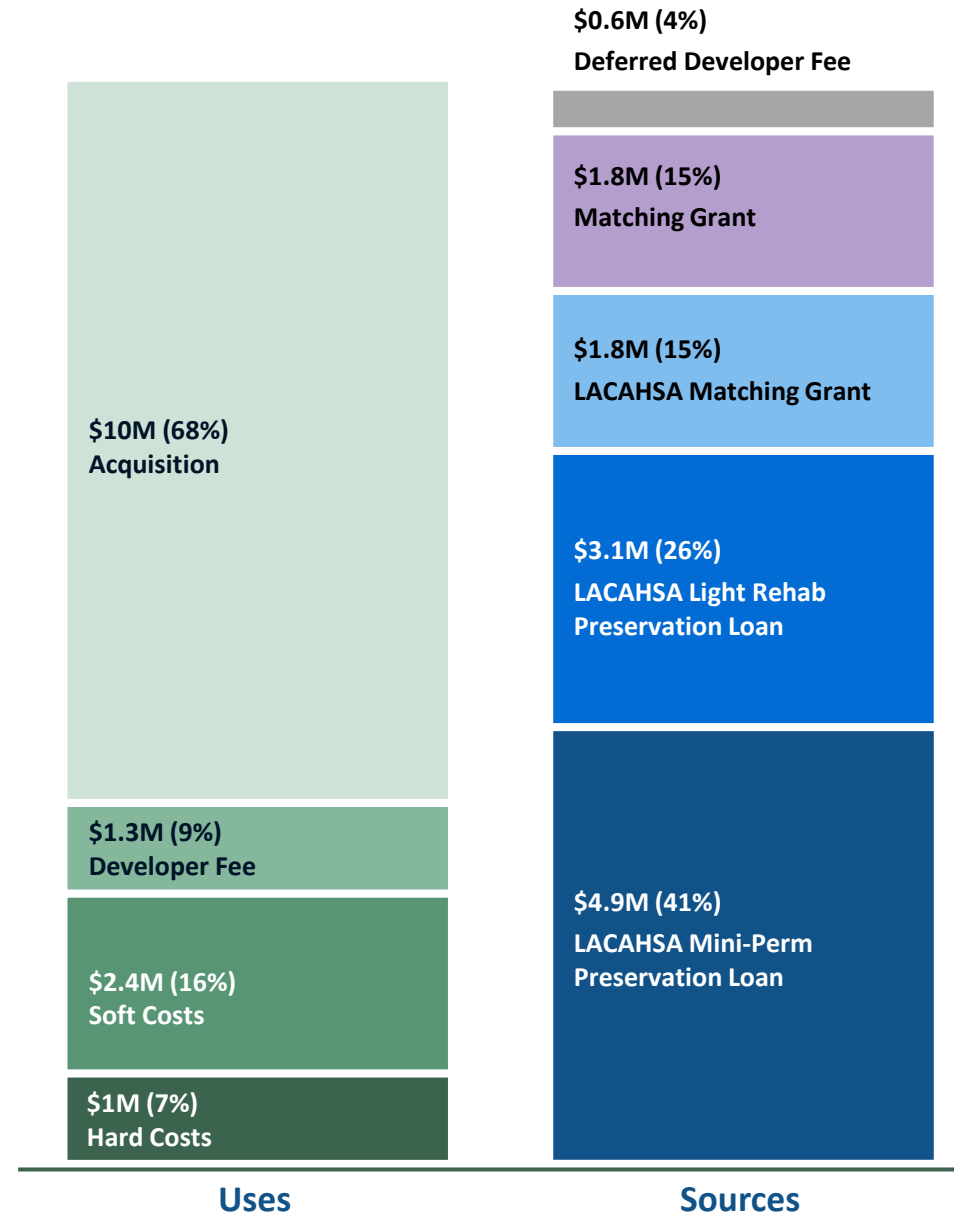
30% AMI Units	10
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Annual Payment to Project	\$356K
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Term	20 years
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Project Example

NOAH Acquisition and Preservation with Light Rehab Preservation Loan



Key Assumptions

# of Units	25
Affordability Mix	10% @ 30%
	10% @ 50%
	80% @ 80%

Construction Type	Acquisition & Rehab
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Total Development Cost	\$12M
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Per Unit	\$482K
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Light Rehab Loan

Term	3 years
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Repayment	I/O Balloon at maturity
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Interest Rate, Light Rehab Loan	4.79% (SLGS + 175bps)
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Rental Subsidy

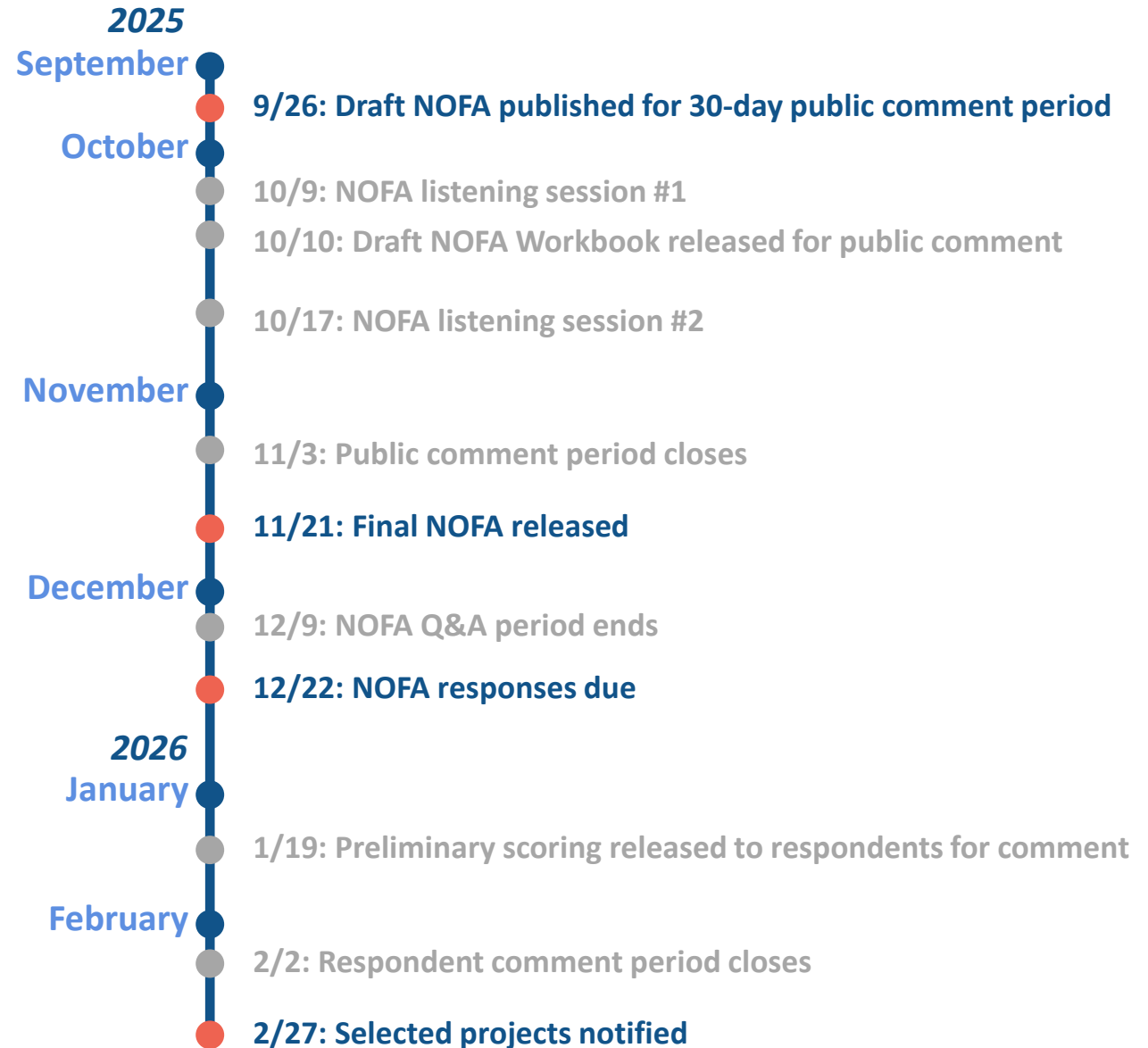
30% AMI Units	3
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Annual Payment to Project	\$74K
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Term	20 years
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NOFA Timeline

LACAHSA's NOFA will be open for responses from November 21st until December 22, 2025.



Public Comment Process

To view the draft NOFA and provide public comment, visit LACAHSAs website at <https://lakahsa.gov/nofa/>.



— Draft NOFA Documents

Draft NOFA →

Draft NOFA Timeline →

Draft NOFA Listening Session Presentation →

Draft NOFA Workbook →

+ Term Sheets

NOFA Comment Form →

+ Supporting Materials



Q&A

NOFA Feedback and Clarifications

Please add your comments in the Q&A Box in the Zoom Toolbar.

Topic

- 1 LACAHSA Loan Products
- 2 LACAHSA Subsidy Products
- 3 Policy Requirements: Affordability, Labor, etc.
- 4 NOFA Logistics: Timeline, Application Process, and Public Comments

Listening Session #2

Date/Time: Friday, October 17 from 11:00 AM – 1:00 PM

Location: Virtual

For additional questions, please contact:

Claudia Lima

*Managing Director,
Strategic Investments*

LACAHS

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