



LACAHS Funding Opportunities

NOFA Briefing Session

November 21, 2025

Agenda

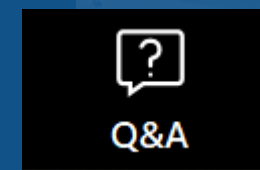
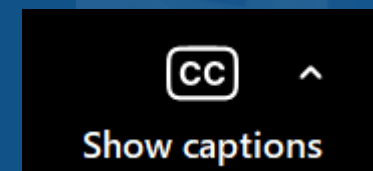
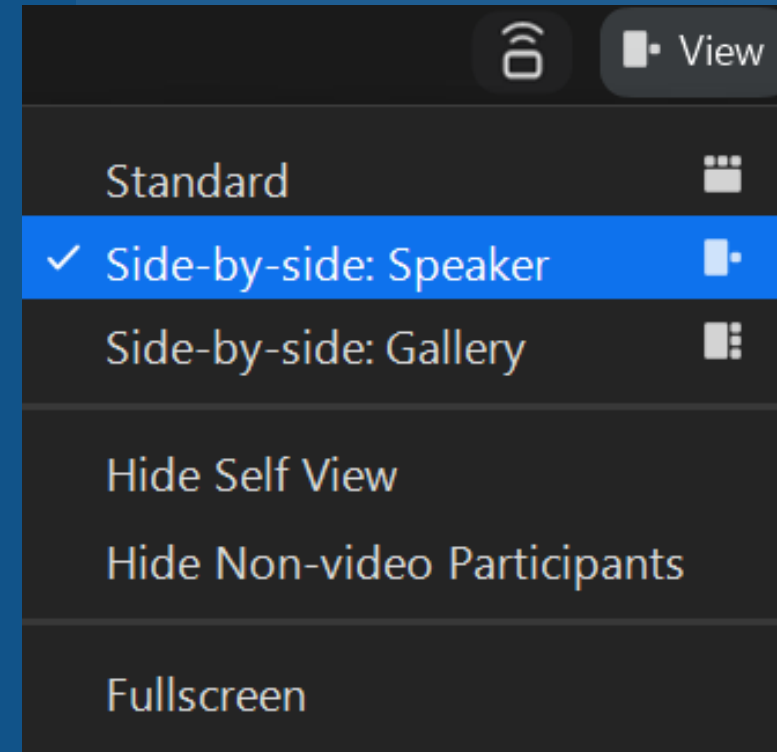
1. Welcome & Housekeeping (5 min)
2. Production & Preservation Revised NOFA Updates (20 min)
3. Illustrative Project Examples (20 min)
4. NOFA Timeline & Application Process (5 min)
5. Q&A

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.



Production & Preservation NOFA | Summary of Public Comment

Over the past month, LACAHSAs received 438 unique comments and questions from 46 organizations and individuals. Five common themes emerged:

Theme	Frequency	Impact on NOFA
Project Readiness	10+ comments	Increased clarification of readiness milestones, with added extensions for LIHTC.
Prevailing Wage + Project Labor Agreements (PLA)	9+ comments	More detail on applicability of labor requirements and examples of where local/federal labor rules overlap with County standards.
Cost Containment Scoring in High-Cost Areas	8+ comments	Revised to account for geography, unit mix, program space. NOFA includes revised Unit-Cost Standard to avoid penalizing high-resource or family-serving projects.
Residual Receipts Loan Eligibility + Cap	8+ comments	Increased the funding cap.
Density Bonus + Ineligible Units	7+ comments	Increased clarification about applicability of LACAHSAs funds only for units exceeding the minimum regulatory threshold.

Production & Preservation NOFA | Key Updates

LACAHSA's Revised NOFA released on November 16th incorporates stakeholder feedback, resulting in the following changes from the previous, September 26th draft.

	9.26 NOFA Funding Caps	11.16 NOFA Funding Caps	9.26 NOFA Interest Rates	11.16 NOFA Interest Rates	Other 11.16 NOFA Changes
Construction Loan	\$23,000,000	\$28,000,000	SLFS+2.25% or SOFR+1.5%	SLFS+1.75% or SOFR+1.0%	
Permanent Loan	\$23,000,000	\$25,000,000	SLGS+1.0%	SLGS+0.5%	clarified forward commitment available
Light Rehab Preservation Loan	\$5,000,000	\$10,000,000	SLGS+2.0%	SLGS+1.50%	combined light rehab + perm product term increased to 15 years
Subordinate B Note	\$4,000,000	\$15,000,000	SLGS+2.0%	3%	funds at construction 95% LTV/LTC max for all projects (100% incl. LACHSA B Note) adds terms for cash flow repayment + capital event repayment

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	9.26 NOFA Funding Caps	11.16 NOFA Funding Caps	9.26 NOFA Interest Rates	11.16 NOFA Interest Rates	Other 11.16 NOFA Changes
Residual Receipts Note (LIHTC)	\$3,000,000	\$10,000,000	3%	3%	compliance monitoring payable before DS 95% LTV/LTC max for all projects (100% incl. LACAHSA B Note) 55-year term
Matching Capital Grant	\$2,000,000	Up to 15% TDC	3%	3%	clarified that it is a forgivable grant
Rental Subsidy	Lesser of \$15K/unit or \$1M annually	Difference b/w tenant-paid rent and HUD FMR	N/A	N/A	
Operating Deficit Subsidy	\$500,000	\$200/unit annually	N/A	N/A	15-year term
Predevelopment	\$500,000	\$1,000,000	3%	3%	removed LIHTC restriction may be used for acquisition

The Revised NOFA also clarifies key definitions necessary to compare projects and to distinguish between light and substantial rehab.

1. Adjusted Total Development Costs (ATDC)

The sum of all project costs minus,

- Developer fee contributed as GP equity
- Donated land
- Value of any below-market ground lease

2. Unit Cost Benchmark

Benchmark by project type used for eligibility, scoring, and underwriting

- Mean of ATDC on a per-square-foot basis for each project type: New Construction, Substantial Renovation, and Light Rehab
- Enables projects to score additional points for costs significantly below this amount

3. Light Rehab vs. Substantial Renovation

Light Rehab: Does not qualify as substantial renovation but costs meet or exceed the greater of \$3,500 per unit or \$250,000 in total.

Substantial Renovation: A rehab where either:

- The required repairs involve replacing 2+ major building components (as defined by HUD) or,
- Rehab costs exceed the greater of:
 - 15% of property's replacement cost
 - \$6,500/unit
 - 20% of mortgage proceeds applied to rehab expenses

Production & Preservation NOFA | Key Updates

The Revised NOFA clarifies the extent to which LACAHSa can fund units required solely by law or entitlement (e.g., inclusionary zoning or density bonuses).

Financing Scenarios Involving Density Bonuses	
100% Affordable Projects Granted Density Bonus Units	All units, including density bonus units, may be funded by LACAHSa.
Market Rate Projects with Excess Affordable Units	LACAHSa may fund the excess units but not those needed to achieve the density bonus. If the developer receives a benefit from the excess units, then LACAHSa may not fund those units.
Deepened Affordability	LACAHSa may fund the value of the difference between the required affordability restriction and a deeper affordability restriction that the developer proposes.

Production & Preservation NOFA | Key Updates

The Revised NOFA adds geographic distribution to the scoring criteria. Applications will be sorted into 4 zones—LACAHSa aims to distribute funding evenly across zones.

North County	San Gabriel Valley	Southeast County	Southwest County
Burbank-Glendale-Pasadena RHT	San Gabriel Valley COG	City of Long Beach	City of Los Angeles
City of Los Angeles	Unincorporated LA County	Gateway Cities COG/RHT	Las Virgenes/ Malibu COG
City of Santa Clarita		Unincorporated LA County	South Bay Cities COG/RHT
North LA County Transportation JPA			Unincorporated LA County
San Fernando Valley COG			Westside Cities COG
Unincorporated LA County			

**Zone boundaries will be refined as LACAHSa incorporates analysis of RNHA allocations, high opportunity vs low opportunity area research, and renter displacement/vulnerability research.*

Production & Preservation NOFA | Short-Term Financing, Revised Terms

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
Purpose	cover costs through construction start	new construction or rehab	acquisition plus light rehab
Interest Rate	3.00%	SLGS + 1.75% or 1-month SOFR + 1.00%	SLGS + 1.50%
Max Term	earlier of 3 years or close of acquisition/construction financing	3 years	15 years (including initial 3-year interest-only period)
Max Amount	\$1,000,000	\$28,000,000	\$10,000,000
Readiness to Proceed	N/A	yes	yes
Repayment	interest-only; paid quarterly	permanent financing	permanent financing

Production & Preservation NOFA | Permanent Financing, Revised Terms

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 B-Note	Residual Receipts Loan	Matching Capital Grant
Purpose	long-term financing	subordinate loan for all projects	RR note for LIHTC projects	gap financing
Interest Rate	SLGS + 0.50%	3.00%	3.00%	3.00%
Max Term^{(a)(b)}	40 years	40 years	55 years	55 years
Max Amount	\$25,000,000	\$15,000,000	\$10,000,000	Up to 15% TDC
Readiness to Proceed	yes	yes	yes	yes
Repayment	amortizing loan & balloon	Cash flow-contingent during term; accrued interest	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.

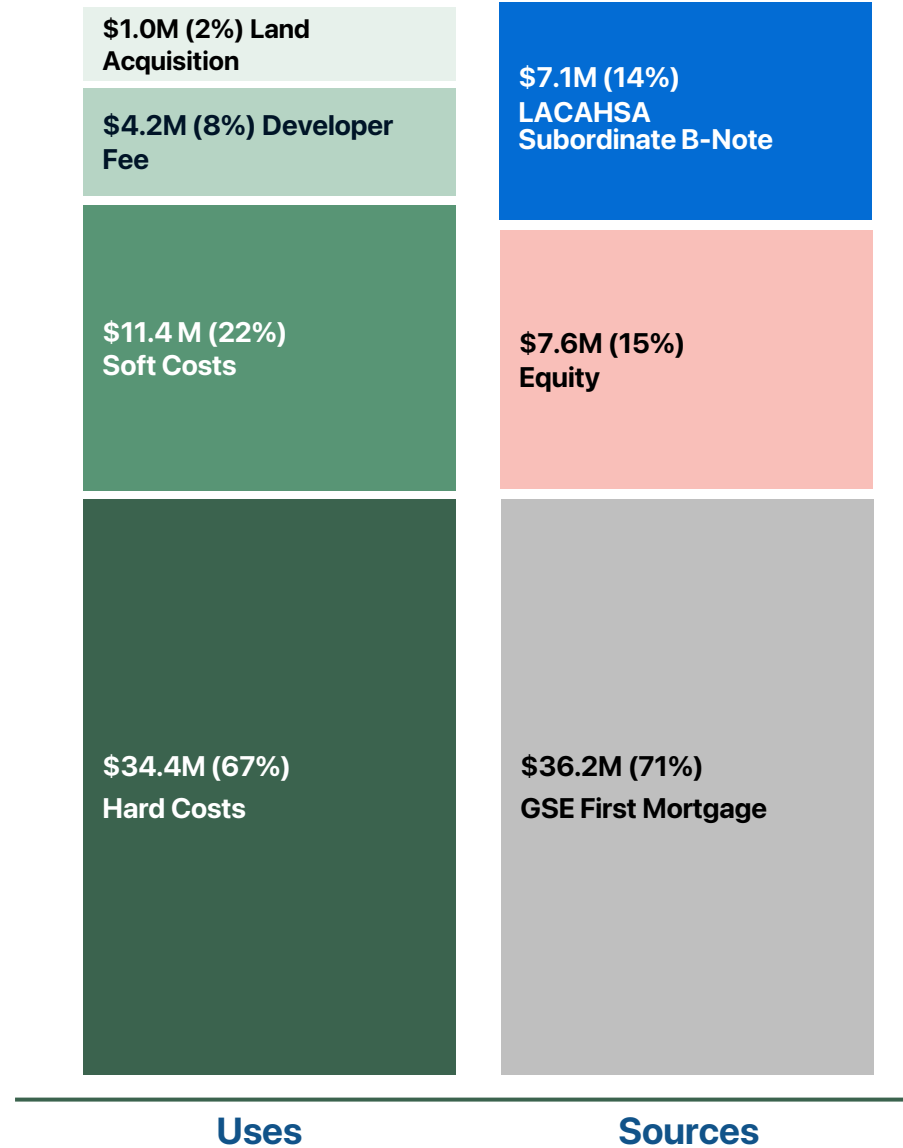
Production & Preservation NOFA | Subsidies, Revised Terms

LACAHSA 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	second-priority deficit reserve
AMI Limits	30% AMI or below	80% AMI or below
Max Term	20 years	15 years
Max Amount	Difference b/w tenant-paid rent and HUD FMR	\$200 per unit annually
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

Project Example

Mixed-Income New Construction with LACAHSB Subordinate B-Note



Key Assumptions

# of Units	100
Affordability Mix	10% @ 30% 10% @ 50% 10% @ 80% 70% Market Rate
Construction Type	Type V, Mid-Rise, New Construction
Total Development Cost (all units)	\$51.0M
Per Unit	\$510K

LACAHSB Subordinate B-Note

Loan Term	30 years
Amortization	I/O
Interest Rate	3%
LTV	95% combined
DSCR	1.05 combined

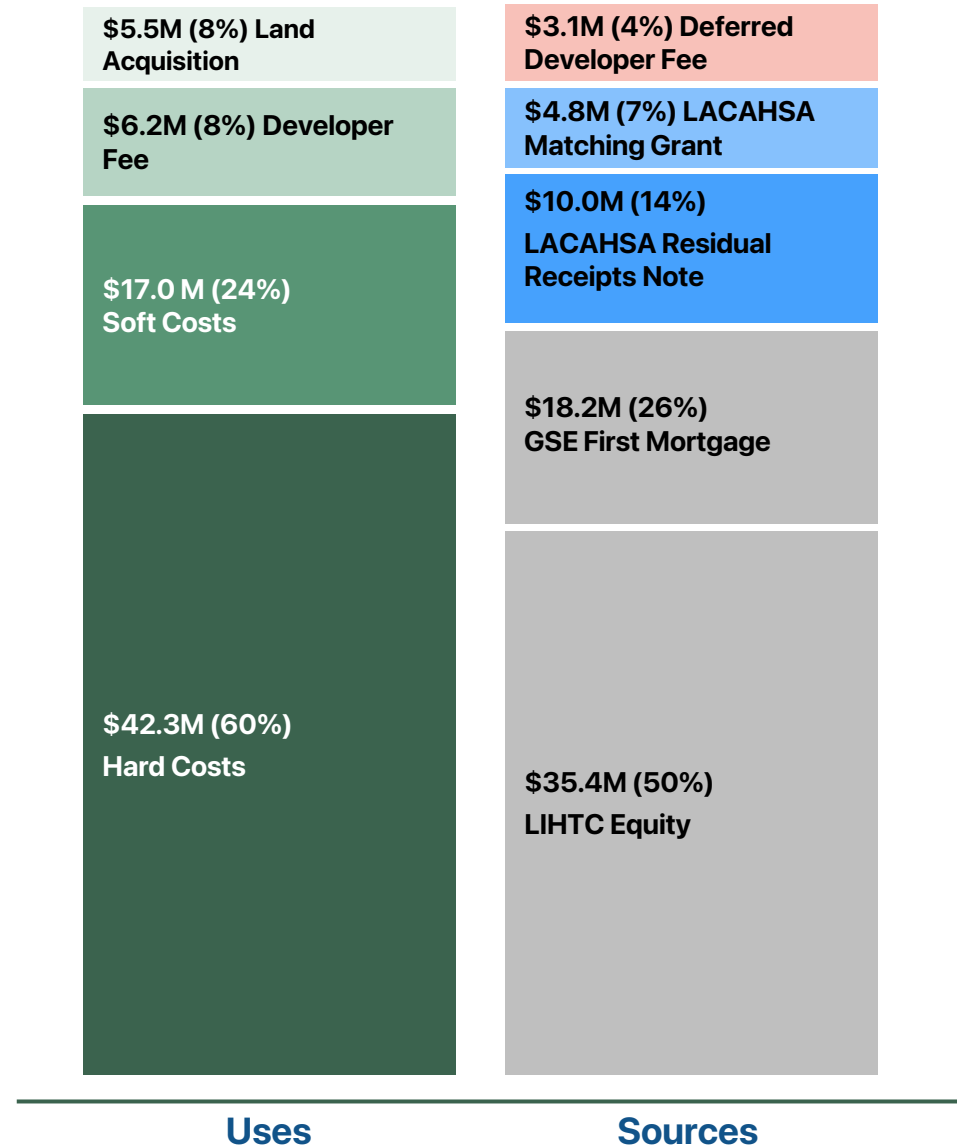
Voucher Payments (Non-LACAHSB)

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

Assumes TBVs for 30% of all other units

Project Example

LIHTC New Construction with LACAHSR Residual Receipts Note



Key Assumptions

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

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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LACAHSR Residual Receipts Loan

Term	30 years
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Repayment	50% split of cashflow
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Interest Rate	3%
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Combined LTV	95%
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Voucher Payments (Non-LACAHSR)

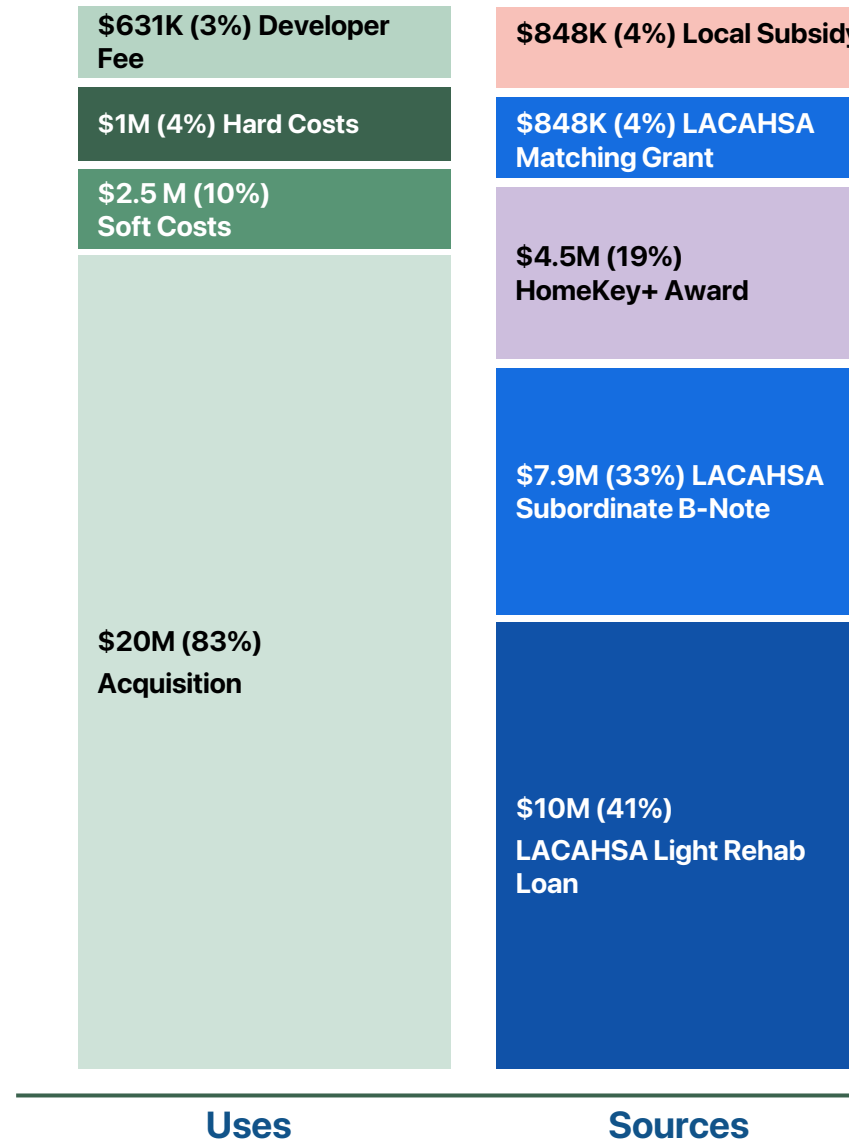
30% AMI Units	10
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Annual Payment to Project	\$356K
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Term	20 years
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Project Example

Motel Acquisition and Conversion with Homekey+ and Light Rehab Preservation Loan

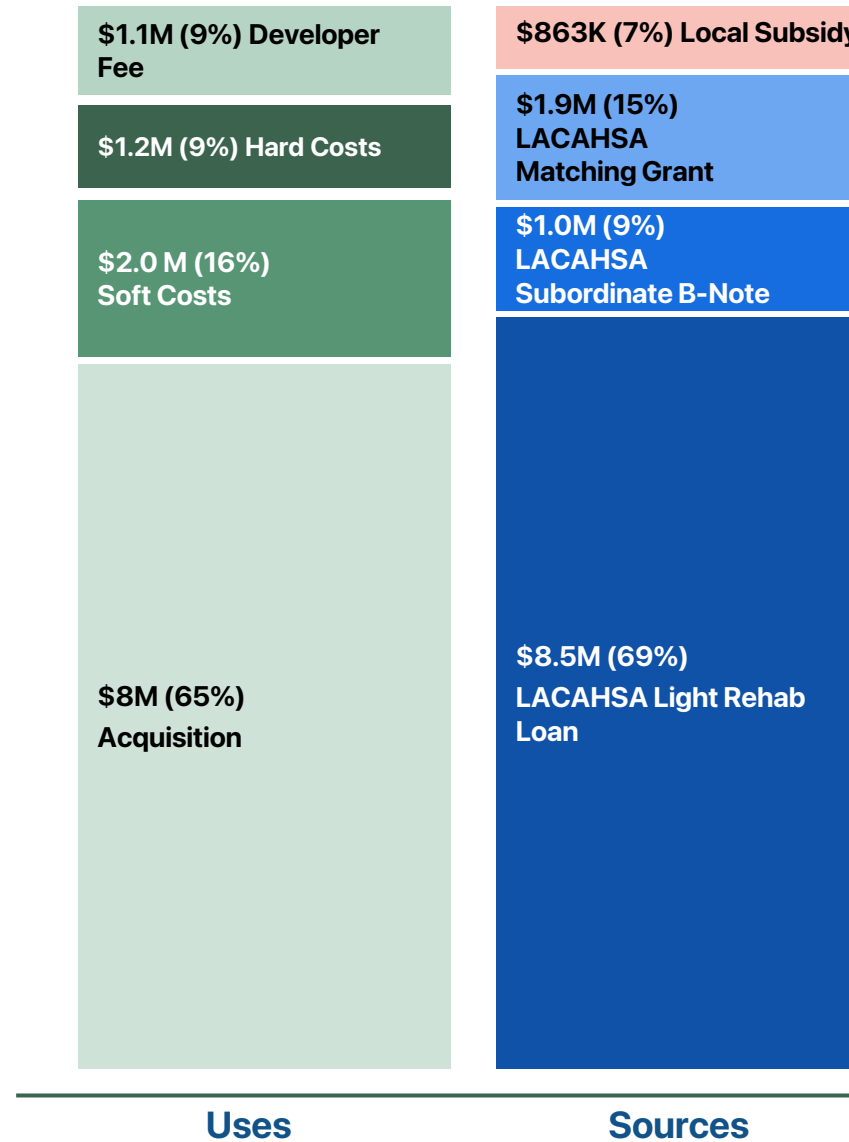


Key Assumptions

# of Units	50
Affordability Mix	10% @ 30% 10% @ 50% 80% @ 80%
Construction Type	Acquisition & Rehab
Total Development Cost	\$24.1M
Per Unit	\$482K
LACAHS Light Rehab Loan	
Term	15 years
LTV	90%
DSCR	1.15
Repayment	40-yr amort, balloon at maturity
Interest Rate, Light Rehab Loan	4.49% (SLGS + 1.50%)
Voucher Payments (Non-LACAHS)	
30% AMI Units	5
Annual Payment to Project	\$168K
Term	15 years

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
Total Development Cost	\$12.3M
Per Unit	\$491K
LACAHS Light Rehab Loan	
Term	15 years
DSCR	1.15
Repayment	40-yr amort, balloon at maturity
Interest Rate, Light Rehab Loan	4.49% (SLGS + 1.50%)
Voucher Payments (Non-LACAHS)	
30% AMI Units	3
Annual Payment to Project	\$98.4K
Term	15 years

NOFA Timeline

LACAHSA's NOFA will be open for responses from December 16th until January 16th.



NOFA Application Process

To view the NOFA terms and application requirements, visit LACAHSAs website at <https://lakahsa.gov/nofa/>.



ABOUT US ▾

+ Draft NOFA Documents 9/26/25

+ Draft NOFA Documents 11/6/25

+ Draft NOFA Documents 11/16/25

+ Draft NOFA Comments & Responses

+ Supporting Materials

For additional questions, please contact:

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