



# LACAHSA Funding Opportunities

## NOFA Briefing Session

November 21, 2025

# Agenda

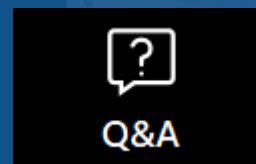
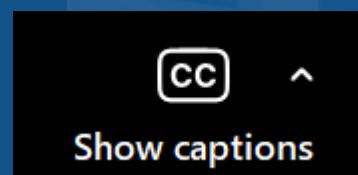
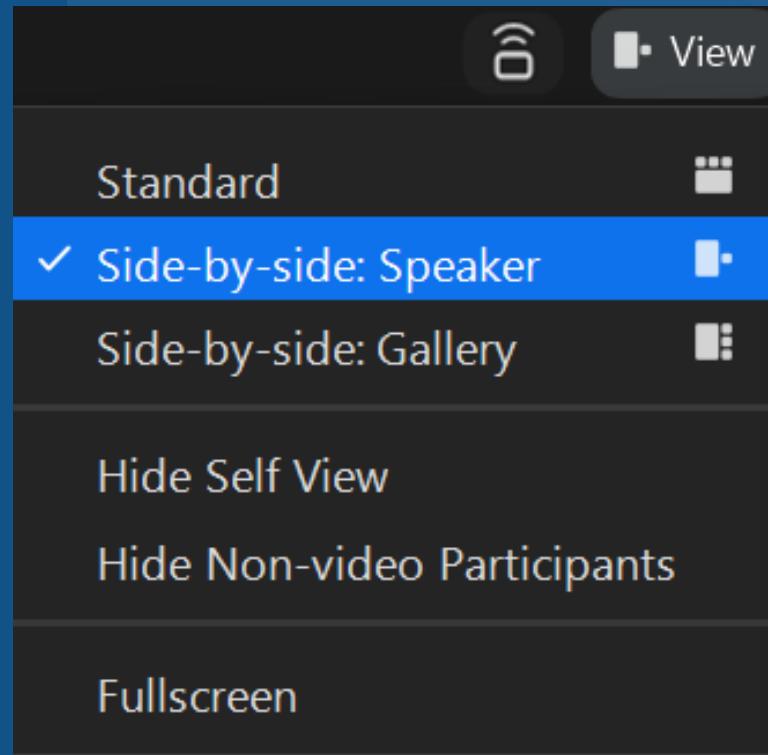
- 1. Welcome & Housekeeping (5 min)**
- 2. Production & Preservation Revised NOFA Updates (20 min)**
- 3. Illustrative Project Examples (20 min)**
- 4. NOFA Timeline & Application Process (5 min)**
- 5. Q&A**

## 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, LACAHSA received 438 unique comments and questions from 46 organizations and individuals. Five common themes emerged:**

Theme	Frequency	Impact on NOFA
<b>Project Readiness</b>	10+ comments	Increased clarification of readiness milestones, with added extensions for LIHTC.
<b>Prevailing Wage + Project Labor Agreements (PLA)</b>	9+ comments	More detail on applicability of labor requirements and examples of where local/federal labor rules overlap with County standards.
<b>Cost Containment Scoring in High-Cost Areas</b>	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.
<b>Residual Receipts Loan Eligibility + Cap</b>	8+ comments	Increased the funding cap.
<b>Density Bonus + Ineligible Units</b>	7+ comments	Increased clarification about applicability of LACAHSA funds only for units exceeding the minimum regulatory threshold.

## Production & Preservation NOFA | Key Updates

**LACAHSA's Revised NOFA released on November 16<sup>th</sup> incorporates stakeholder feedback, resulting in the following changes from the previous, September 26<sup>th</sup> 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
<b>Construction Loan</b>	\$23,000,000	\$28,000,000	SLFS+2.25% or SOFR+1.5%	SLFS+1.75% or SOFR+1.0%	
<b>Permanent Loan</b>	\$23,000,000	\$25,000,000	SLGS+1.0%	SLGS+0.5%	clarified forward commitment available
<b>Light Rehab Preservation Loan</b>	\$5,000,000	\$10,000,000	SLGS+2.0%	SLGS+1.50%	combined light rehab + perm product term increased to 15 years
<b>Subordinate B Note</b>	\$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

## Production & Preservation NOFA | Key Updates

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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
<b>Residual Receipts Note (LIHTC)</b>	\$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
<b>Matching Capital Grant</b>	\$2,000,000	Up to 15% TDC	3%	3%	clarified that it is a forgivable grant
<b>Rental Subsidy</b>	Lesser of \$15K/unit or \$1M annually	Difference b/w tenant-paid rent and HUD FMR	N/A	N/A	
<b>Operating Deficit Subsidy</b>	\$500,000	\$200/unit annually	N/A	N/A	15-year term
<b>Predevelopment</b>	\$500,000	\$1,000,000	3%	3%	removed LIHTC restriction may be used for acquisition

## Production & Preservation NOFA | Key Updates

**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	
<b>100% Affordable Projects Granted Density Bonus Units</b>	All units, including density bonus units, may be funded by LACAHSA.
<b>Market Rate Projects with Excess Affordable Units</b>	LACAHSA may fund the <b>excess units</b> 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.
<b>Deepened Affordability</b>	LACAHSA may fund <b>the value of the difference</b> 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
<b>Purpose</b>	cover costs through construction start	new construction or rehab	acquisition plus light rehab
<b>Interest Rate</b>	3.00%	SLGS + 1.75% or 1-month SOFR + 1.00%	SLGS + 1.50%
<b>Max Term</b>	earlier of 3 years or close of acquisition/construction financing	3 years	15 years (including initial 3-year interest-only period)
<b>Max Amount</b>	\$1,000,000	\$28,000,000	\$10,000,000
<b>Readiness to Proceed</b>	N/A	yes	yes
<b>Repayment</b>	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
<b>Purpose</b>	long-term financing	subordinate loan for all projects	RR note for LIHTC projects	gap financing
<b>Interest Rate</b>	SLGS + 0.50%	3.00%	3.00%	3.00%
<b>Max Term<sup>(a)(b)</sup></b>	40 years	40 years	55 years	55 years
<b>Max Amount</b>	\$25,000,000	\$15,000,000	\$10,000,000	Up to 15% TDC
<b>Readiness to Proceed</b>	yes	yes	yes	yes
<b>Repayment</b>	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.

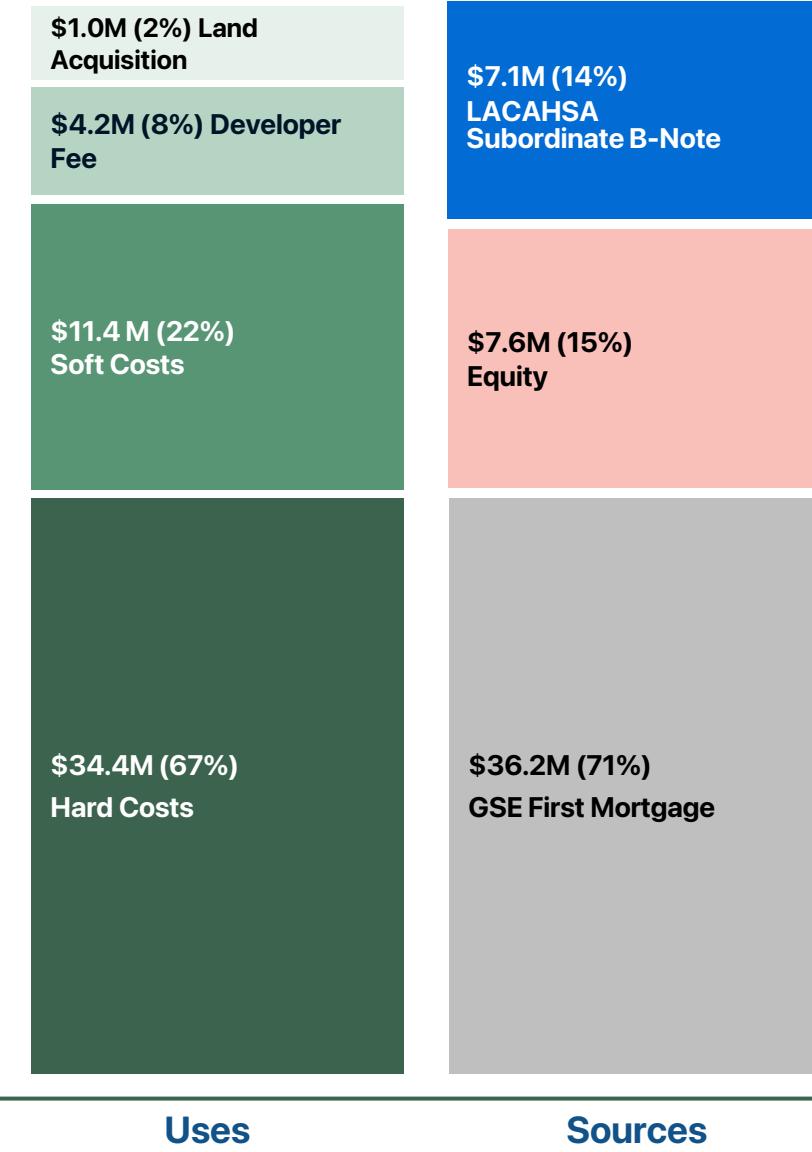
## Production & Preservation NOFA | Subsidies, Revised Terms

**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
<b>Purpose</b>	ongoing project-based rental subsidy	second-priority deficit reserve
<b>AMI Limits</b>	30% AMI or below	80% AMI or below
<b>Max Term</b>	20 years	15 years
<b>Max Amount</b>	Difference b/w tenant-paid rent and HUD FMR	\$200 per unit annually
<b>Readiness to Proceed</b>	yes	yes
<b>Restrictions</b>	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 LACAHSA 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

#### LACAHSA Subordinate B-Note

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

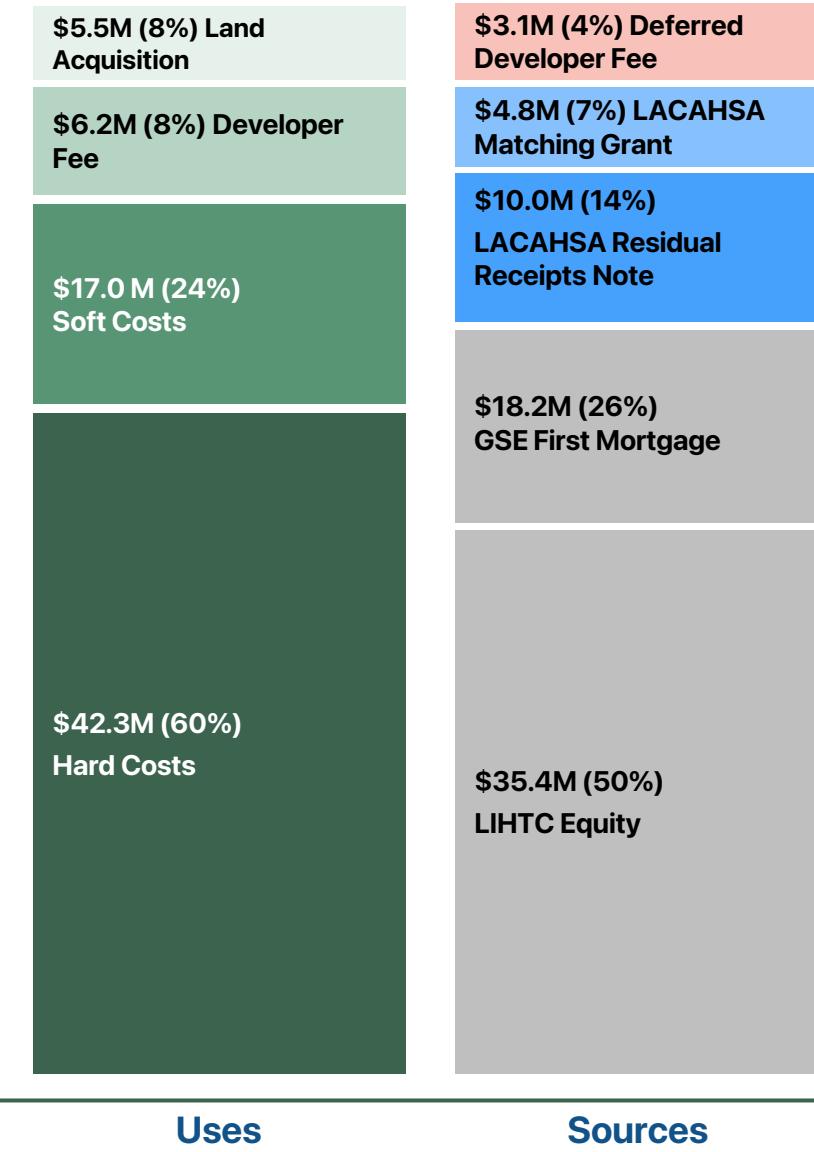
#### Voucher Payments (Non-LACAHSA)

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 LACAHSA Residual Receipts Note

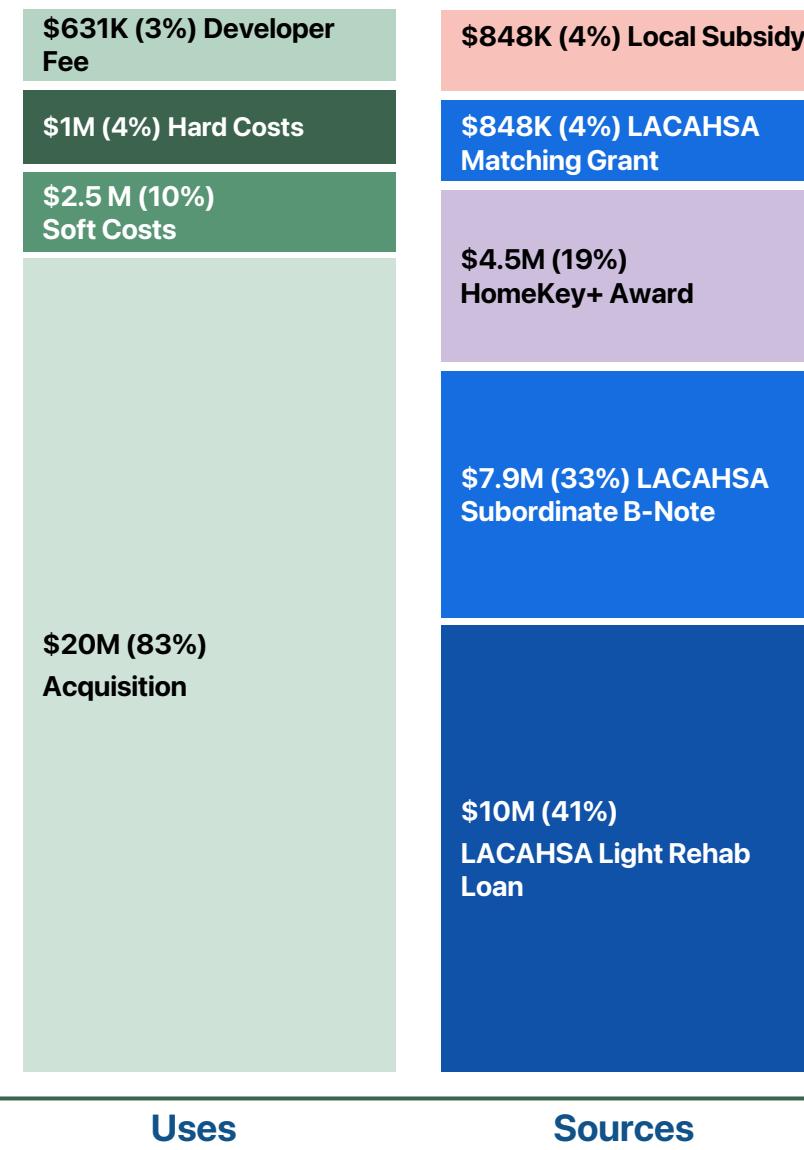


#### Key Assumptions

# of Units	100
Affordability Mix	10% @ 30% 10% @ 50% 80% @ 60%
Construction Type	Type V, Mid-Rise, New Construction
Total Development Cost	\$70.9M
Per Unit	\$709K
<b>LACAHSA Residual Receipts Loan</b>	
Term	30 years
Repayment	50% split of cashflow
Interest Rate	3%
Combined LTV	95%
<b>Voucher Payments (Non-LACAHSA)</b>	
30% AMI Units	10
Annual Payment to Project	\$356K
Term	20 years

## Project Example

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

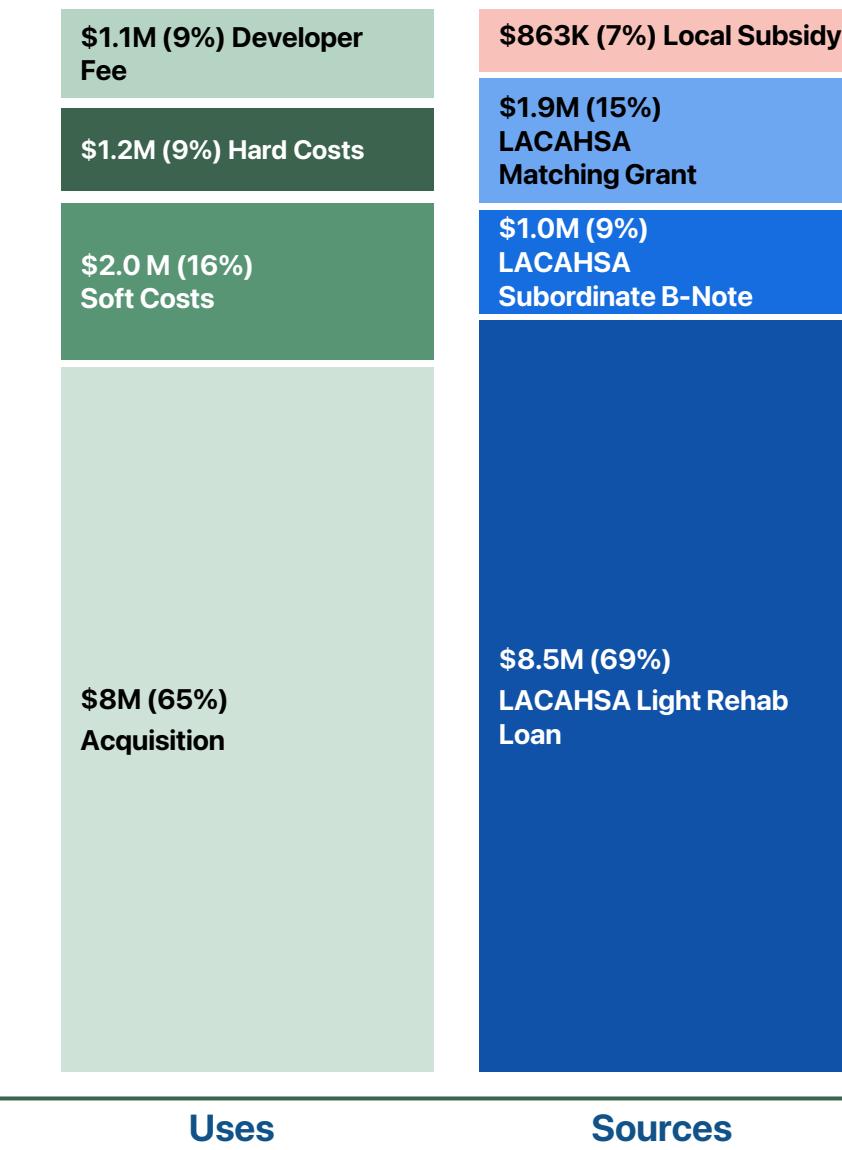


#### Key Assumptions

# of Units	50
Affordability Mix	10% @ 30% 10% @ 50% 80% @ 80%
Construction Type	Acquisition & Rehab
Total Development Cost	\$24.1M
Per Unit	\$482K
<b>LACAHSA Light Rehab Loan</b>	
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%)
<b>Voucher Payments (Non-LACAHSA)</b>	
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
<b>LACAHSA Light Rehab Loan</b>	
Term	15 years
DSCR	1.15
Repayment	40-yr amort, balloon at maturity
Interest Rate, Light Rehab Loan	4.49% (SLGS + 1.50%)
<b>Voucher Payments (Non-LACAHSA)</b>	
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 16<sup>th</sup> until January 16<sup>th</sup>.



To view the NOFA terms and application requirements, visit LACAHSA's website at <https://lacahsa.gov/nofa/>.



- + 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:

**Claudia Lima**

*Managing Director, Strategic Investments*

LACAHSA

[info@lacahsa.gov](mailto:info@lacahsa.gov)