



LCAHSA
THE AFFORDABLE
SOLUTIONS AGENCY

FY 2026-27

Expenditure Plan & Agency Strategy

March 2026

The logo for HR&A is located in the bottom right corner of the page. It features the letters "HR&A" in a large, serif font, with the ampersand "&" being smaller and positioned between the "R" and "A". The logo is white and stands out against the dark green background of the building facade.

HR&A

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Letter from the CEO

Dear Colleagues, Partners, and Community Members,

As we share LACAHSAs Expenditure Plan for Fiscal Year 2026-2027, I am proud to reflect on how much we have learned in our first year serving Los Angeles County as the new L.A. County Affordable Housing Solutions Agency (LACAHSAs) and how those lessons are shaping a stronger, more focused path ahead.

Over the past year, we have built the infrastructure needed to meet the scale and urgency of the County's housing needs. We established core operational systems and hired key staff, engaged deeply with community partners and jurisdictions, and released our first notices of funding opportunities. Through these initiatives, we have gained valuable insight into where financing gaps persist, what our partners need most from us, and how we can remove barriers to accelerate the production and preservation of affordable homes. After a year of rapid growth, we are well-positioned to effectively deploy substantial resources in the coming year.

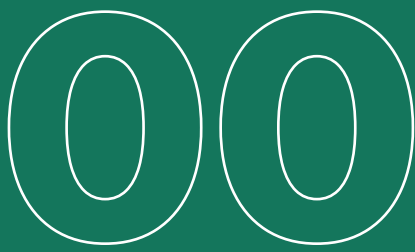
The FY 26-27 Expenditure Plan outlines our next steps: refining our program offerings, strengthening our evaluation and deployment processes, and aligning our investments with the communities most impacted by the housing crisis. Above all, it reflects our responsibility: to steward public resources with transparency, to advance equitable access to housing, and to serve the people of Los Angeles County with the urgency and care this moment demands.

It is an honor to help lead this agency at such a critical time, and I am grateful to everyone who has contributed to laying its foundation. As we look ahead, I am confident in what we can accomplish together.

With appreciation,

A handwritten signature in black ink, appearing to be 'Ryan Johnson', with a long, sweeping underline that extends to the right.

Ryan Johnson
Interim CEO



Executive Summary

Executive Summary

Image credit: Joel Mott via Unsplash

In 2024, Los Angeles County voters approved the Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance (“Measure A”), a half-cent sales tax to fund homeless services and affordable housing development throughout the County. The tax replaces Measure H, a quarter-cent sales tax for homeless services approved by voters in 2017. Measure A is expected to generate over \$1 billion in revenue annually, 35.75% of which will be directed to the recently-created Los Angeles County Affordable Housing Solutions Agency (“LACAHSAs” or “the Agency”) for affordable housing production, preservation, and renter protection services.¹ The remainder of Measure A funds will be directed towards the region’s comprehensive homelessness services initiatives.²

The adoption of Senate Bill 679 enabled the creation of the Los Angeles County Regional Housing Finance Act (“the LACAHSAs Act,” codified in Government Code section 64700 et seq.).³ The LACAHSAs Act requires that the LACAHSAs Board adopt an annual expenditure plan by July 1 of each year to support long-term planning. The annual expenditure plan must set forth the share of revenue and estimated funding amount to be spent on each of the following programmatic categories:

1. Production, Preservation, & Ownership (PPO)
2. Renter Protection and Homelessness Prevention (RPHP), and
3. Technical Assistance (TA).

The FY 2026-27 Expenditure Plan and Agency Strategy fulfills these requirements, looking forward with a five-year planning horizon to set the foundation for additional planning as the Agency scales. The Plan is guided by five-year metrics, outlined below. Following the adoption of this Expenditure Plan and Agency Strategy, LACAHSAs will craft its own detailed operating budget that will govern the spending of its administrative funds. In addition, both LACAHSAs and each Eligible Jurisdiction will design their own programs to deploy Measure A funding. All programs will be consistent with the eligible uses contained within the LACAHSAs Act, as well as requirements of Measure A. The LACAHSAs Act strictly prohibits LACAHSAs and Eligible Jurisdictions from funding any homelessness services. In addition, LACAHSAs funds may not be conditioned on immigration status.

¹ LACAHSAs will receive 35.75% of Measure A funding, after allowing a 0.5% for collection and distribution cost reimbursement to the County Auditor-Controller.

² The Allocations presented in this report only correspond to LACAHSAs's 35.75% share and are not inclusive of other Measure A funding streams such as comprehensive homelessness services funding; accountability, data, and research funding for the Los Angeles County Homeless Initiative; and local housing production funding for the Los Angeles County Development Authority. LACAHSAs is prohibited from funding homelessness services.

³ SB 679 is codified at Title 6.9 of the California Government Code (Sections 64700 through 64832). It has been amended since its initial adoption. References in this Plan are to the statutes as amended.

Section 1. Funding Allocations

Section 1. of this Expenditure Plan, Funding Allocations, presents the distribution of LACAHSAs funds for each programmatic use and each Eligible Jurisdiction.

Allocation by Programmatic Use

As demonstrated in Figure 1 below, together the LACAHSAs Act and Measure A require the following distribution of funding by programmatic use:

- 60% for Production, Preservation, & Ownership (including 77.25% set aside for new construction);
- 30% for Renter Protection and Homelessness Prevention;
- 5% for Technical Assistance, and
- 5% for LACAHSAs administration.

Allocations by Eligible Jurisdiction

The LACAHSAs Act and Measure A also dictate how LACAHSAs funds are distributed between LACAHSAs and other Eligible Jurisdictions, which include the County of Los Angeles, certain individual cities, Councils of Governments, and regional housing trusts.⁴

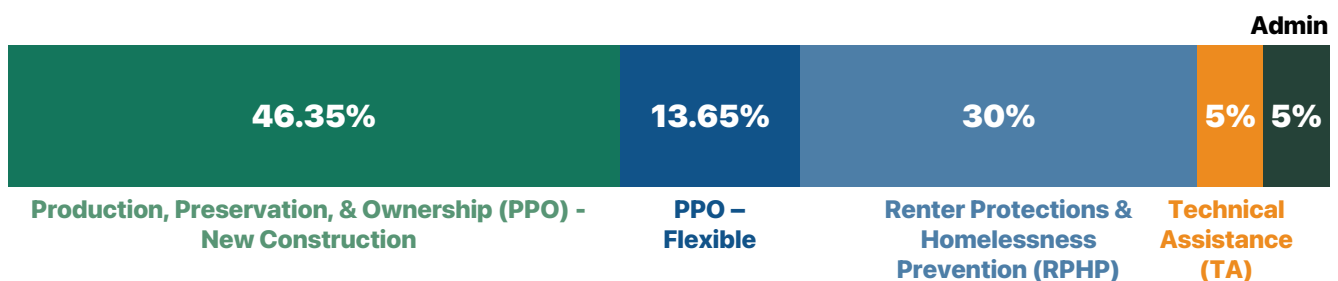
- Administrative funds are fully allocated to LACAHSAs, and
- 15% of programmatic funds are allocated at the discretion of the LACAHSAs Board.⁵

Of the remaining programmatic funds:

- 30% of programmatic funds are allocated to LACAHSAs, and
- 70% of programmatic funds are allocated to the Eligible Jurisdictions.⁶

Table 1 below provides the total allocation estimates for FY 2026-27 to LACAHSAs and each Eligible Jurisdiction. A more detailed list of distribution of funds by agency and use is provided in Section 1 Funding Allocations.

Figure 1. LACAHSAs Funding Allocation by Use



⁴ Eligible Jurisdictions are outlined in Section 1, based on definitions and formulas in SB 679 Section 64830.5.

⁵ At the March 11, 2026, Board Meeting, the Board elected to allocate the 15% discretionary funding by following the same 70%/30% split between Eligible Jurisdictions and the Agency.

⁶ Allocations by jurisdiction are defined in SB 679 clause 64830.5(a)(2)

Table 1. FY 2026-27 Total Funding Allocation by Jurisdiction

AGENCY	TOTAL BY AGENCY
1 LACAHSAs	\$129,033,777
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$6,506,935
3 City of Glendale	\$5,102,985
4 City of Long Beach	\$10,698,220
5 City of Los Angeles	\$134,656,351
6 City of Santa Clarita	\$3,409,431
7 Gateway Cities Council of Governments/Gateway Cities Affordable Housing Trust	\$18,586,163
8 Lancaster-Palmdale Regional Housing Trust ⁷	\$5,251,271
9 Las Virgenes/Malibu Council of Governments	\$468,903
10 San Fernando Valley Council of Governments	\$519,197
11 San Gabriel Valley Council of Governments/San Gabriel Valley Regional Housing Trust	\$25,920,799
12 South Bay Cities Council of Governments/South Bay Regional Housing Trust	\$13,074,578
13 Unincorporated Los Angeles County	\$24,902,928
14 Westside Cities Council of Governments	\$7,043,918
TOTAL	\$385,175,455

⁷ The LACAHSAs Act limits direct allocations to only certain cities; other cities may only receive funding through a COG or Regional Housing Trust. Because Lancaster and Palmdale are the only cities that are not part of a COG, their portion is allocated to the North Los Angeles County Transportation Coalition JPA. The JPA is in the process of establishing a regional housing trust that will be the final recipient of funds—exact agency name is tentative.

Image credit: Tyler Zhang via Unsplash

The Expenditure Plan is also required to set metrics regarding the target income levels, number of affordable housing units built or preserved, and the number of tenants served within each category of expenditure.

Measure A Section 4A outlines five overarching goals to prevent and reduce homelessness

and provide solutions for affordable housing, listed in Table 2 below. According to Measure A Section 4C, the LACAHS Board is responsible for setting target metrics for Goals 4 and 5. The LACAHS Board adopted the following revised target metrics in April 2026 to align with goals set by the Executive Committee for Regional Homeless Alignment (ECRHA).⁸

Table 2. Measure A Goals and Five-Year Target Metrics

GOAL 1	Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness.
GOAL 2	Reduce the number of people with mental illness and/or substance use disorders who experience homelessness.
GOAL 3	Increase the number of people permanently leaving homelessness.
GOAL 4	<p>Prevent people from falling into homelessness with a focus on addressing gender, ethnic and racial disproportionality, disparities and inequities.</p> <p>4A. Decrease by 20% in five years the number of people who become newly homeless, from a baseline of 63,202 in FY 23-24 to a target of 50,561 in 2030.</p> <p>4A.1. Decrease disproportionality of newly homeless Black or African American individuals by 30% from a baseline of 35% by 2030.</p> <p>4A.2. Decrease the disparity in the rate of growth of newly homeless Black (9%) and Latinx (21%) people by 7 percentage points each.</p> <p>4A.3. Reduce the overall share of homelessness in the point-in-time count by 20% for Black or African American, Hispanic or Latino, and American Indian Alaska Native by 2030.</p> <p>4B. Increase the successful impact of flexible eviction and homeless prevention services from a baseline of 1,796 in FY 23-24 to a target of 22,116 to 23,829 in the next five years, or an average of 4,423-4,766 per year.</p> <p>4C. Increase access to legal support services for tenant households from a baseline of 8,377 in FY 23-24 to a target of 85,103 to 91,693 in the next five years, or an average of 17,021 to 18,339 per year.</p>
GOAL 5	<p>Increase the number of affordable housing units in Los Angeles County with a focus on addressing gender, ethnic and racial disproportionality, disparities and inequities</p> <p>5A. Produce a minimum of 1,800 affordable housing units per year, for a total of 9,000 units over the next five years.</p> <p>5B. Preserve a minimum of 420 affordable housing units per year, for a total of 2,100 units over the next five years.</p>

⁸ The original LACAHS goals were adopted in April 2025: <https://lakahsa.gov/wp-content/uploads/2025/04/03-12-2025-LACAHS-Meeting-Minutes-Final-.pdf>

Measure A Section 4B also establishes five system performance metrics listed in Table 3, below, that LACAHSAs will continue to track in partnership with the Executive Committee for Regional Homeless Alignment (ECHRA).

Table 3. Measure A System Performance Metrics

KPI 1	Creating a standardization of basic services to bring people inside and ensure that people have access to social services, medical care, and behavioral/mental health care.
KPI 2	Establishing a homeless-service-delivery system more accessible to all communities.
KPI 3	Meeting regional housing needs for Lower Income Households.
KPI 4	Using an equity lens, reducing racial disparities and the disproportionate impact of homelessness and housing insecurity for critical populations.
KPI 5	Increasing accountability and transparency as to the use of public funds.

Section 2. Eligible Uses

According to the LACAHSAs Act, the Expenditure Plan must include a description of projects or programs proposed to receive funding, including the location, amount of funding, and anticipated outcomes—to the extent feasible. Section 2. Eligible Uses aims to fulfill this requirement, outlining the funding tools LACAHSAs and the Eligible Jurisdictions can use to meet the goals and metrics adopted by the Board.

LACAHSAs has a unique opportunity to leverage public and private funding, act nimbly, innovate government processes, and scale impact regionally. Doing so will require powerful financial tools and highly skilled staff. LACAHSAs and the Eligible Jurisdictions will need flexibility to deploy funds to respond to fluctuating needs and market conditions, adapting as communities grow and change. A one-size-fits-all approach will not work. Instead, LACAHSAs will take an “all tools in the toolbox” approach, allowing each Eligible Jurisdiction to develop a suite of programs to meet its unique needs—as well as potentially allowing for open calls for projects that may use versions of these tools,

or other tools not contemplated here that would align with the goals and objectives of LACAHSAs’s work.

If an Eligible Jurisdiction wants to allocate LACAHSAs funds to a use that has not been preapproved in the Expenditure Plan and Program Guidelines, the Eligible Jurisdiction may submit its proposed use to LACAHSAs in a funding request. The funding request should include a summary of the proposed activity and how it aligns with Measure A and the Act. The request will be submitted to the LACAHSAs Board or a committee established by the Board for consideration and approval. The Board or its designee will determine whether the proposed use is eligible and whether it will require an amendment to the Expenditure Plan.

The eligible uses described in Section 2 and summarized below in Table 4 constitute the toolbox. Each use description includes target project types, illustrative terms, and examples. Jurisdictions—and their corresponding governing bodies—will be responsible for selecting the tools most appropriate to meet their goals, in collaboration with LACAHSAs. Table 4, below, outlines eligible uses.

Table 4. Overview of Eligible Uses

PRODUCTION, PRESERVATION, & OWNERSHIP (PPO) USES

PPO uses include both New Construction and Flexible uses.

Direct Project Investments

Direct project investments work to address the existing backlog of entitled affordable housing deals in need of gap financing. This may include projects that require local sources to secure LIHTC allocations and/or additional state funding. Examples of direct project investments include grants, loans, and interest rate subsidies to reduce costs and development finance timelines. Uses within this section are currently commonly used for the development and preservation of affordable and mixed-income projects.

Rental Subsidies & Operating Deficit Reserves

Rental subsidies and operating deficit reserves provide one-time or ongoing payments to pay for expenses such as utilities, maintenance, taxes, management, as well as debt service payments. Rental subsidies and operating deficit reserves are available for new construction, rehabilitation, and preservation projects. Rental subsidies and operating deficit reserves may come in multiple forms, including, but not limited to, project-based rental assistance, master leasing, shallow rent subsidy, and operating deficit reserves.

Impact Fund

Impact funds offer below-market financial terms and greater flexibility than typical financing by raising impact-driven investments that serve as first-loss capital. A public entity seeds a new impact fund by attracting mission-driven capital sources including philanthropy (such as through program-related investments (PRI) or Mission Related Investments (MRI), impact investors, and Community Reinvestment Act (CRA)-motivated financial institutions.) The fund may be held within LACAUSA or by a qualified CDFI or other financial institution. The focus of the impact fund will be on preserving existing subsidized affordable housing, as well as acquiring and preserving Naturally Occurring Affordable Housing (NOAH). Eligible Jurisdictions can elect to participate in the impact fund through investment of first-loss capital or provision of residual receipts loans to awarded projects.

Homeownership Products

Homeownership products include a variety of financing structures to improve the affordability of existing homeownership opportunities or to increase the production or preservation of affordable homeownership opportunities.

RENTER PROTECTION & HOMELESSNESS PREVENTION (RPHP) USES

RPHP assistance is intended to be temporary, short-term, and delivered to individuals and families who are currently housed to prevent the loss of housing. RPHP funds are not intended to provide supports or services to people experiencing homelessness, nor to provide permanent housing assistance (longer than six months).

Legal Services & Renter Education

Legal Services and Renter Education provide legal representation, advocacy, outreach, and education to households at risk of losing their housing.

Emergency Rental & Flexible Financial Assistance

Emergency Rental and Flexible Financial Assistance provides an array of financial assistance for housing-related expenses to households at risk of losing their housing.

Temporary Rental Assistance

Temporary Rental Assistance provides rental assistance for households at risk of losing their housing or who have a housing crisis which the household cannot resolve independently.

Short-Term Income Support

Short-Term Income Support provides income assistance for households at risk of losing their housing.



Image credit: Harry Borrett via Unsplash

TECHNICAL ASSISTANCE (TA) USES

Technical Assistance uses are designed to provide services, directly or through partnerships with contracted service providers, that support LCAHSA and the Eligible Jurisdictions in achieving PPO and RPHP outcomes.

Grants

LCAHSA will administer grants that allow Eligible Jurisdictions, their member jurisdictions, or nonprofits to directly apply for technical assistance funds. LCAHSA will also administer grants that will allow cities with populations under 50,000 to directly apply for technical assistance funds.

Policy Development

LCAHSA may support development of housing and renter protection policies for municipalities who express interest in adopting policy changes but may lack staff capacity.

LCAHSA may offer support through a bench of consultants and/or develop centralized resources that jurisdictions can share.

Training & Professional Services Support

LCAHSA may provide direct technical assistance programming for Eligible Jurisdictions and their member jurisdictions to engage in capacity building, effective implementation, or seeding innovation. Eligible programs can include technical workshops, training sessions, education on best practices, and regulatory compliance support.

LCAHSA and Eligible Jurisdictions may use Technical Assistance funds to contract additional consultant services related to the strategy areas and to support other TA uses (eg. policy development, program design, research, and evaluation).

Program Design, Research, & Evaluation

LCAHSA and Eligible Jurisdictions may use Technical Assistance funds to support program design, research, and evaluation. Technical Assistance funds can also be used to develop internal staff capacity required to design, operate, monitor, and evaluate related programs. For example, LCAHSA may provide access to data collection, analysis, and tracking tools to evaluate program outcomes.

01 **Funding Allocations**



Funding Allocations

Image credit: Scott Blake via Upsplash

The LACAHSAs Act (Government Code section 64700 et seq., enabled by SB 679)⁹ and Measure A⁹ describe legislative requirements for LACAHSAs's funding allocations for each allowable use category and each jurisdiction eligible to receive funds.

LACAHSAs Share of Measure A Revenues (35.75%)

Measure A, also known as the Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance, introduced a 0.5% sales and use tax imposed by the County of Los Angeles on the sales, storage, use, or other consumption of tangible personal property at retail establishments, effective as of April 1, 2025. Measure A has no expiration date. The proceeds from this tax will be used for reducing and preventing homelessness, increasing the supply of affordable housing in Los Angeles County by providing for significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production for low-income households.

According to Measure A Section 3B.4, the Los Angeles County Auditor-Controller will distribute 35.75% of the Measure A sales tax to LACAHSAs, net of County costs to collect and distribute the tax imposed not to exceed 0.5% of annual tax proceeds.

To estimate Measure A revenues for FY 2026-27, HR&A used a projection published by the Los Angeles County Chief Executive Office on January 22, 2026, which estimated total revenues of \$1,082,828,000. Of this total, \$385,175,455 is the anticipated 35.75% share for LACAHSAs, after allowing for a 0.5% for collection and distribution cost reimbursement to the County Auditor-Controller.¹¹

The Allocations presented in this report only correspond to LACAHSAs's 35.75% share and are not inclusive of other Measure A funding streams such as comprehensive homelessness services funding; accountability, data, and research funding for the Los Angeles County Homeless Initiative; and local housing production funding for the Los Angeles County Development Authority.¹²

9 https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB_679

10 https://file.lacounty.gov/SDSInter/lac/1169975_Special-Sales-Tax-to-Fund-Homelessness-Programs-and-LACAHSAs.pdf

11 https://file.lacounty.gov/SDSInter/hsh/1200698_FY2026-27MeasureASpendingPlanProposedUseofAdditionalFunding.pdf

12 Ibid. Additional funding streams are described on page 14.

Allocation by Use Category

The LACAHS Act and Measure A identify four allowable uses of LACAHS funds.

1. Production, Preservation, and Ownership

(PPO) (60%): Measure A ordinance Section 29B mandates that 60% of funding be used for production, preservation, and ownership of affordable housing. Of this amount, 77.25% is mandated for construction of new affordable housing ("PPO-New Construction"). The remainder can be allocated to any eligible PPO use ("PPO-Flexible"). Measure A's requirements supersede a minimum 40% spending for PPO uses mandated by Government Code section 64830(d)(1).

- *PPO - New Construction:* Creation of new permanent residential units. May include construction of affordable housing unit where there are no existing uses and/or substantial rehabilitation of existing housing units or commercial or other non-residential use to affordable housing, and rent and/or operating subsidies that support new construction.
- *PPO - Flexible:* The remaining 22.75% is a flexible category that can be spent on any eligible PPO program including construction, preservation, acquisition, rehabilitation, homeownership, and rent and operating subsidies such as income assistance for extremely low income households or project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households.
- *Annual Board Priorities:* Government Code section 64830(d)(3) states that LACAHS should spend a minimum of 15% of its annual programmatic budget for annual priorities. To meet the 60% threshold set by Measure A, the Annual Board Priority share is directed towards production, preservation, and ownership. However, Government Code section 64830(d)(3) does not subject the Annual Board Priorities allocation to the 70%/30% split between Eligible Jurisdictions and the Agency. Thus, while the Board Priorities

allocation is functionally mandated by Measure A to be allocated for PPO purposes until June 30, 2035, the Board has discretion as to how to allocate it within this category. At the March 11 2026, Board Meeting, the Board elected to follow the same 70%/30% split between Eligible Jurisdictions and the Agency.

2. Renter Protection and Homelessness

Prevention (RPHP) (30%): Government Code section 64830(d)(2) states that LACAHS should spend a minimum of 30% of its annual programmatic budget on renter protection and homelessness prevention programs.

3. Technical Assistance (TA) (5%):

Government Code section 64830(d)(4) states that LACAHS should spend a minimum of 5% of its annual programmatic budget on technical assistance, research, and policy development.

- *Technical Assistance for Small Cities:* In addition to the 5% allocation, Government Code section 64830.5(a)(2) also mandates that at least 5% of the Agency funds for production, preservation and ownership, renter protection and homelessness prevention, and technical assistance should be reserved for technical assistance grants to small cities with population under 50,000.

4. Agency Operations & Administration (5%):

Government Code section 64830(d)(5), states that the Agency can spend a maximum of 10% of its annual programmatic budget for its administration and operating expenses. However, after accounting for increased programmatic funding requirements within Measure A, the Agency is limited to a maximum of 5% for administrative uses. The Agency may choose to reallocate administration funding to other programmatic uses at its discretion; thus, in this report the allocation reflects only the maximum allowable expenditure. Additional allowances for administrative and direct costs for programs implemented by Eligible Jurisdictions are established and adopted by the Board in LACAHS's Program Guidelines.

Allocation by Eligible Jurisdiction

The LACAHS Act and Measure A dictate how LACAHS funds are distributed between the Agency and the other Eligible Jurisdictions.

Share to the Agency: Government Code section 64830.5(a)(2) states that 30% of funds for production, preservation, and ownership, renter protection and homelessness prevention, and technical assistance will be allocated to the Agency to utilize at its discretion. The funds for administration are entirely allocated to the Agency.¹³

Share to Eligible Jurisdictions: Government Code section 64830.5(a)(2) states that 70% of funds for production, preservation, and ownership, renter protection and homelessness prevention, and technical assistance are allocated to the Eligible Jurisdictions.



Image credit: Drew Dau via Unsplash

SB 679 identifies the following Eligible Jurisdictions, consisting of the County, individual municipalities, councils of governments (COGs), and regional housing trusts:

1. County of Los Angeles (on behalf of unincorporated areas)
2. City of Los Angeles
3. City of Long Beach
4. City of Glendale
5. City of Santa Clarita
6. San Gabriel Valley Councils of Governments—whose share may be allocated to the San Gabriel Valley Regional Housing Trust
7. Gateway Cities Councils of Governments—whose share may be allocated to the Gateway Cities Affordable Housing Trust
8. South Bay Cities Councils of Governments—whose share may be allocated to the South Bay Regional Housing Trust
9. Westside Cities Councils of Governments
10. San Fernando Valley Councils of Governments
11. Las Virgenes/Malibu Councils of Governments

Government Code section 64830.5(a)(1)(A)(ii) allows regional housing trusts consistent with the San Gabriel Valley Regional Housing Trust model to be eligible to receive a direct allocation. In addition, any regional housing trust that does not correspond to an existing council of government can be eligible to receive a direct allocation at the Board's discretion. LACAHS staff received an allocation request from the Burbank-Glendale-Pasadena Regional Housing Trust (BGPRHT), and this

¹³ Additional allowances for administrative and direct costs for programs implemented by Eligible Jurisdictions will be established and adopted by the Board in LACAHS's Program Guidelines.

Expenditure Plan anticipates that the Board will approve a direct allocation to BGRPHT and incorporates an allocation to it as a presumed Eligible Jurisdiction.

12. Burbank-Glendale-Pasadena Regional Housing Trust (BGRPHT)

After identifying all Eligible Jurisdictions, HR&A assigned each of the 88 incorporated cities and unincorporated areas of Los Angeles County to a respective Eligible Jurisdiction.

1. HR&A identified cities that receive a direct allocation.
2. All unincorporated areas were assigned to Los Angeles County.
3. The cities of Burbank and Pasadena were assigned to BGRPHT. Because the City of Glendale receives a direct allocation, its allocations are not included in the BGRPHT allocation.
4. The remaining municipalities were assigned to a COG based on data published by Southern California Association of Governments (SCAG).¹⁴

A complete index of municipality assignments to Eligible Jurisdictions is provided in Appendix A, Table A1.

There are two municipalities within the County that each belong to two councils of government—City of Montebello and the City of Industry. After consultation with the respective cities and councils of government, both Montebello and Industry were assigned to the San Gabriel Valley Council of Government.

Finally, there are two municipalities within the County that do not belong to a council of government and which did not receive a direct allocation—the City of Lancaster and the City of Palmdale. For the purpose of this

Expenditure Plan, allocations for these two municipalities are assigned to:

13. Lancaster-Palmdale Regional Housing Trust

Distribution Among Eligible Jurisdictions

SB 679 also provides guidance on how funding for each eligible use should be distributed among the Eligible Jurisdictions.

PPO Distribution: Government Code section 64830.5(a)(2)(A)(i) states that funding for production, preservation, and ownership should be allocated to each Eligible Jurisdiction based on its pro rata lower income housing need. Government Code section 64830.5(f) states that “pro rata lower income housing need” is defined as the jurisdiction’s share of the total lower income housing needs assessment goal for the County of Los Angeles allocated pursuant to Section 65584—the State’s Regional Housing Needs Assessment (RHNA).

To conduct the Regional Housing Needs Assessment, the California Department of Housing and Community Development (HCD) determines the regional housing need for each region, considering factors like demographic trends, housing conditions, overcrowding, cost burden, vacancy rates, and jobs-housing imbalances.¹⁵ The Southern California Association of Governments (SCAG) 6th Cycle Final RHNA Allocation Plan was approved by HCD in March 2021 and covers the period from October 2021 to October 2029—the latest data available to inform the LACAHSAs allocations.¹⁶

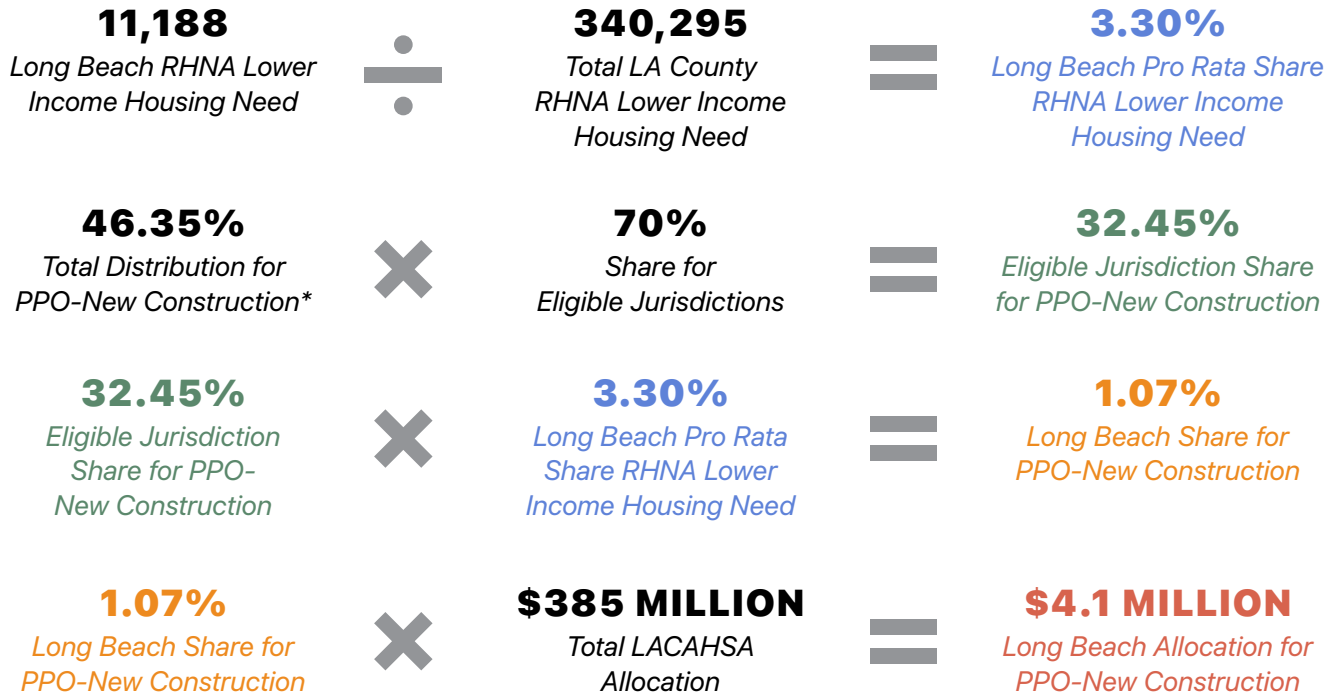
HR&A used the SCAG 6th Cycle Final RHNA Allocation Plan for each of the 88 municipalities and unincorporated areas and aggregated to each Eligible Jurisdiction using the assignments described above. HR&A then calculated the share of households with low and very low

¹⁴ <https://scag.ca.gov/post/scag-members-subregions>

¹⁵ <https://www.hcd.ca.gov/planning-and-community-development/regional-housing-needs-allocation>

¹⁶ https://scag.ca.gov/sites/default/files/2024-05/6th_cycle_final_rhna_allocation_plan_070121.pdf

Figure 2. PPO-New Construction Allocation Calculation Formula, City of Long Beach



income (AMI below 80%)¹⁷ for each Eligible Jurisdiction compared to the total countywide need. HR&A used the resulting share of lower income housing need to allocate available PPO funds to each Eligible Jurisdiction.

Figure 2 above provides an example of the calculation formula for the City of Long Beach’s PPO-New Construction share.

TA Distribution: Government Code 64830.5(a) (2)(C)(i) states that funding for technical assistance should be allocated to Eligible Jurisdictions on a “per low-income renter household basis.” However, unlike PPO, the LACAHSAs Act does not specify a data source to define “low-income renter households.” Because no data source was specified, HR&A used national best practices to identify a widely accepted and transparent data source to measure each jurisdiction’s pro rata share of low-income renter households.

The U.S. Department of Housing and Urban Development (HUD) compiles Comprehensive Housing Affordability Strategy (CHAS) data as a set of custom tabulations of American Community Survey (ACS) data provided by the U.S. Census Bureau. The latest CHAS data are based on 2018 – 2022 ACS 5-year estimates published in December 2025.¹⁸ The primary purpose of CHAS data is to demonstrate the extent of housing problems and housing needs, particularly for low-income households. CHAS data categorize households by income levels, primarily focusing on those earning 30%, 50%, and 80% of the area median income.

CHAS data are widely used by state and local governments to inform spending decisions:

- Federally, HUD awards funding for Community Development Block Grants (CDBG) using a formula that employs CHAS data.¹⁹

17 HCD uses the following categorization in RHNA: very low income (0-50% AMI), low income (50-80% AMI), moderate income (80-120% AMI) and above moderate income (above 120% AMI). https://abag.ca.gov/sites/default/files/abag_2023-2031_rhna_faq_-_july_2020.pdf

18 <https://www.huduser.gov/portal/datasets/cp.html>. CHAS data is generally updated once latest ACS custom tabulations are available.

19 <https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-Formula-Appropriation-Process-Transcript.pdf>

- Within the State of California, RHNA estimates are directly informed by CHAS data, and CHAS is integrated into the State’s Office of Environmental Health Hazard Assessment CalEnviroScreen Tool.²⁰
- Other jurisdictions also employ CHAS to inform housing planning and funding allocation activities. New York State Homes and Community Renewal uses CHAS data for housing burden analysis and funding applications.²¹ Cities and counties including Seattle, Miami-Dade County, and Kansas City incorporate CHAS data in their planning processes.^{22, 23, 24}

Informed by these national best practices, HR&A defined the pro rata share of low-income renter households using *CHAS 2018–2022 5-year Estimates for Renter Occupied Households (Table 7) By Census Place* for each jurisdiction within LA County. For each jurisdiction, HR&A calculated the total number of renter

households below 80% AMI²⁵ and the totals for each Eligible Jurisdiction using the assignments described above. Finally, HR&A calculated the pro rata share for each Eligible Jurisdiction.

RPHP Distribution: The LACAHS Act does not specifically dictate how RPHP funding should be distributed among Eligible Jurisdictions. However, HR&A and LACAHS staff elected to distribute RPHP funding using the same formula used for TA Distribution—i.e., the pro rata share of low-income renter households, as defined by CHAS—given the use’s specific focus on renter households.²⁶ Government Code section 64830.5(c)(1) states that for the RPHP distribution, the City of Los Angeles share is “subject to a 50-percent limit.”²⁷ However, as demonstrated in Appendix A, Table A3, the City of Los Angeles has a 49.6% share of low-income renter households in the County; thus, the 50% cap was not applied.

20 <https://oehha.ca.gov/calenviroscreen/indicator/housing-burden>

21 <https://hcr.ny.gov/system/files/documents/2021/10/new-york-state-2021-2025-consolidated-plan-as-submitted-to-hud.pdf>

22 <https://www.seattle.gov/documents/Departments/OPCD/SeattlePlan/OneSeattlePlanDraftHousingAppendixSupplementalTables.pdf>

23 http://www.shimberg.ufl.edu/publications/Miami_Dade_data_appendix_061120.pdf

24 <https://www.marc.org/news/economy/new-dashboards-added-housing-data-hub-shine-light-housing-problems-kansas-city-region>

25 SB 679 clause 64710(c) defines the Agency’s purpose with a focus on households earning 80% AMI or below.

26 The legislative history for SB 679 indicates that the RPHP category would be allocated on a “per low-income renter household basis.” The failure to include this requirement in the chaptered version of SB 679 was likely an error. See Senate Floor Analysis (Aug 15, 2022) at page 6, available here: https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220SB679

27 https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB_679

Allocations by Jurisdiction, approved by LCAHSA Board of Directors for FY 26 – 27

Applying the methodology described above, Table 5 below illustrates the percentage share of LCAHSA's funding to the Agency and each Eligible Jurisdiction by corresponding use.

Table 5. Percentage Share of LCAHSA Funding by Use and Jurisdiction

AGENCY	PPO			RPHP		TA		ADMIN	TOTAL BY AGENCY
	NEW CONSTRUCTION	FLEXIBLE	TA FOR SMALL CITIES	RPHP	TA FOR SMALL CITIES	GENERAL	TA FOR SMALL CITIES		
1 LCAHSA	13.91%	3.42%	0.68%	8.55%	0.45%	1.43%	0.08%	5.00%	33.50%
2 Burbank-Glendale-Pasadena Regional Housing Trust	0.80%	0.24%		0.56%		0.09%			1.69%
3 City of Glendale	0.53%	0.16%		0.54%		0.09%			1.32%
4 City of Long Beach	1.07%	0.31%		1.20%		0.20%			2.78%
5 City of Los Angeles	17.61%	5.19%		10.42%		1.74%			34.96%
6 City of Santa Clarita	0.49%	0.14%		0.22%		0.04%			0.89%
7 Gateway Cities Council of Governments/Gateway Cities Affordable Housing Trust	1.83%	0.54%		2.10%		0.35%			4.83%
8 Lancaster-Palmdale Regional Housing Trust	0.58%	0.17%		0.52%		0.09%			1.36%
9 Las Virgenes/Malibu Council of Governments	0.05%	0.02%		0.04%		0.01%			0.12%
10 San Fernando Valley Council of Governments	0.07%	0.02%		0.04%		0.01%			0.13%
11 San Gabriel Valley Council of Governments/San Gabriel Valley Regional Housing Trust	3.26%	0.96%		2.15%		0.36%			6.73%
12 South Bay Cities Council of Governments/South Bay Regional Housing Trust	1.47%	0.43%		1.27%		0.21%			3.39%
13 Unincorporated Los Angeles County	3.75%	1.10%		1.38%		0.23%			6.47%
14 Westside Cities Council of Governments	0.92%	0.27%		0.55%		0.09%			1.83%
TOTAL	46.35%	12.98%	0.68%	29.55%	0.45%	4.93%	0.08%	5.00%	100.00%

Table 6 below estimates the total amount of LACAHSAs funding to the Agency and each Eligible Jurisdiction by corresponding use.

Table 6. Estimated LACAHSAs Funding by Use and Jurisdiction

AGENCY	PPO			RPHP		TA		ADMIN	TOTAL BY AGENCY
	NEW CONSTRUCTION	FLEXIBLE	TA FOR SMALL CITIES	RPHP	TA FOR SMALL CITIES	GENERAL	TA FOR SMALL CITIES		
1 LACAHSAs	\$53,558,647	\$13,173,001	\$2,599,934	\$32,932,501	\$1,733,290	\$5,488,750	\$288,882	\$19,258,773	\$129,033,777
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$3,077,477	\$906,312		\$2,162,696		\$360,449			\$6,506,935
3 City of Glendale	\$2,057,282	\$605,866		\$2,091,288		\$348,548			\$5,102,985
4 City of Long Beach	\$4,108,689	\$1,210,002		\$4,611,025		\$768,504			\$10,698,220
5 City of Los Angeles	\$67,837,071	\$19,977,908		\$40,149,748		\$6,691,625			\$134,656,351
6 City of Santa Clarita	\$1,884,312	\$554,927		\$831,593		\$138,599			\$3,409,431
7 Gateway Cities Council of Governments/ Gateway Cities Affordable Housing Trust	\$7,062,773	\$2,079,975		\$8,094,356		\$1,349,059			\$18,586,163
8 Lancaster-Palmdale Regional Housing Trust	\$2,251,186	\$662,970		\$2,003,241		\$333,874			\$5,251,271
9 Las Virgenes/Malibu Council of Governments	\$206,022	\$60,673		\$173,321		\$28,887			\$468,903
10 San Fernando Valley Council of Governments	\$269,555	\$79,383		\$145,936		\$24,323			\$519,197
11 San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	\$12,559,265	\$3,698,683		\$8,282,443		\$1,380,407			\$25,920,799
12 South Bay Cities Council of Governments/ South Bay Regional Housing Trust	\$5,676,440	\$1,671,702		\$4,908,374		\$818,062			\$13,074,578
13 Unincorporated Los Angeles County	\$14,446,882	\$4,254,583		\$5,315,539		\$885,923			\$24,902,928
14 Westside Cities Council of Governments	\$3,533,223	\$1,040,528		\$2,117,286		\$352,881			\$7,043,918
TOTAL	\$178,528,823	\$49,976,515	\$2,599,934	\$113,819,347	\$1,733,290	\$18,969,891	\$288,882	\$19,258,773	\$385,175,455

02 Eligible Uses

Eligible Uses

Image credit: Joshua Armstrong via Unsplash

Production, Preservation, & Ownership (PPO)

Overview

Under the PPO program, LACAHSAs is implementing a multi-pronged investment strategy to leverage Measure A revenues:

- **Multifamily Production & Preservation:** The Multifamily Production & Preservation program deploys LACAHSAs funding directly into multifamily rental projects to accelerate the production and preservation of affordable housing. LACAHSAs will use at-large funding allocations (e.g., Notice of Funding Availability) as the primary method of deploying these resources. LACAHSAs's first Multifamily Production & Preservation NOFA, released in December 2025 plans to invest over \$200 million in multifamily projects.
- **Community Land Trusts (CLTs) and Naturally Occurring Affordable Housing (NOAH):** The CLT and NOAH program provides up to \$15 million in flexible capital—through senior loans, residual receipts loans, and grants—to help CLTs, nonprofit partners, and public agencies acquire and rehabilitate small residential properties (1-39 units). The Program aims to prevent residential displacement and ensure long-term affordability through permanent stewardship and covenants of at least 55 years. The program also includes funding for the creation of affordable ownership and lease-to-own housing for lower-income households.
- **Homeownership:** LACAHSAs's Homeownership Program will provide an additional \$13.4 million to expand pathways to affordable homeownership and shared-equity models such as

affordable rental-to-homeownership ("lease to own") projects. Investment tools will include downpayment assistance and interest rate buydown options.

- **Impact Fund:** LACAHSAs will seed \$5 million in a new Impact Fund to attract mission-driven capital sources to deploy below-market, first-loss financing. The focus of the Fund will be to preserve existing subsidized affordable housing, acquire and preserve NOAH, and increase homeownership opportunities. Eligible Jurisdictions can choose to participate in the Fund through investment of first-loss capital or provision of predevelopment loans, residual receipts loans, or short-term bridge financing between construction and permanent loans for awarded projects.

Allocations

In FY 2026–27, 60% of the LACAHSAs budget will be dedicated to Production, Preservation, and Ownership programs—\$231.1 million. As mandated in Government Code section 64830(d)(1)(A)(i), eligible uses can include but are not limited to:

*"land acquisition, housing acquisition, financing, and ownership programs, including the agency serving as a single source of financing as appropriate, income assistance for extremely low income households, and project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households."*²⁸

The distribution of PPO funds by jurisdiction is presented in Table 7 below.

28 https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202102020SB_679

Table 7. Estimated LACAHSAs Funding for Production, Preservation, & Ownership by Jurisdiction

AGENCY	PPO - NEW CONSTRUCTION	PPO - FLEXIBLE	TOTAL
1 LACAHSAs (including small cities TA)	\$55,567,096	\$13,764,486	\$69,331,582
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$3,077,477	\$906,312	\$3,983,789
3 City of Glendale	\$2,057,282	\$605,866	\$2,663,149
4 City of Long Beach	\$4,108,689	\$1,210,002	\$5,318,691
5 City of Los Angeles	\$67,837,071	\$19,977,908	\$87,814,978
6 City of Santa Clarita	\$1,884,312	\$554,927	\$2,439,239
7 Gateway Cities Council of Governments/ Gateway Cities Affordable Housing Trust	\$7,062,773	\$2,079,975	\$9,142,749
8 Lancaster-Palmdale Regional Housing Trust	\$2,251,186	\$662,970	\$2,914,156
9 Las Virgenes/Malibu Council of Governments	\$206,022	\$60,673	\$266,695
10 San Fernando Valley Council of Governments	\$269,555	\$79,383	\$348,938
11 San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	\$12,559,265	\$3,698,683	\$16,257,948
12 South Bay Cities Council of Governments/ South Bay Regional Housing Trust	\$5,676,440	\$1,671,702	\$7,348,142
13 Unincorporated Los Angeles County	\$14,446,882	\$4,254,583	\$18,701,466
14 Westside Cities Council of Governments	\$3,533,223	\$1,040,528	\$4,573,751
TOTAL	\$180,537,273	\$50,568,000	\$231,105,273

Statutory Requirements

The following represents a synthesis of statutory guidelines that apply to LACAHSAs's work. LACAHSAs has developed program-level guidelines to support implementation of these statutory mandates in a separate document.

New Construction Requirements

Measure A Section 29B mandates that 60% of funding be used for Production, Preservation, and Ownership (PPO). Of this amount, 77.25% is mandated for construction of new affordable housing ("PPO-New Construction").²⁹ Based on this requirement, Table 7 breaks out Production, Preservation, and Ownership into two categories:

- **PPO - New Construction:** The minimum 77.25% of the total allocation required to be spent on new construction and rent and operating subsidies that support new construction.
- **PPO - Flexible:** The remaining 22.75% is a flexible category that can be spent on any eligible PPO program including construction, preservation, acquisition, rehabilitation, homeownership, and rent and operating subsidies.

²⁹ https://file.lacounty.gov/SDSInter/lac/1169975_Special-Sales-Tax-to-Fund-Homelessness-Programs-and-LACAHSAs.pdf

Project Labor Requirements

Measure A Section 28B and Government Code section 64720.5(a) stipulate that any new construction and rehabilitation project receiving funding constitutes a public work subject to prevailing wage requirements. Construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages.

Additionally, Measure A Section 28C and Government Code Section 64720.5(b) also require that projects with 40 units or more to comply with 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. 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.^{30, 31}

Affordability Requirements

The LACAHS Act and Measure A also stipulate the minimum AMI levels for individual projects and the combined LACAHS investment portfolio.

1. Project-Level Requirements – New Construction

According to Government Code section 64830(d)(1)(A)(ii)(II):

"...for each project, 10 percent of the units in the project shall be reserved for extremely low income households and 10 percent of the units shall be reserved for very low income households."

Based on these parameters, any new construction project receiving LACAHS funds must include a minimum of:

- 10% of homes below 30% AMI, and
- 10% of homes below 50% AMI.

Pursuant to Government Code section 64830(d)(1)(A)(ii), new construction projects must meet one of the following three options:

1. Project is 100% affordable, to households earning up to 80% AMI, and, in addition:
 - 10% of units must be reserved for extremely low-income households (30% AMI)
 - 10% of units must be reserved for very low-income households (50% AMI)
2. Project is 100% affordable, to households earning up to 120% AMI, and, in addition: contains at least 50 units, or 50 percent of the total units, whichever is greater, in a larger development that includes units targeted up to 120 percent AMI. In addition:
 - 10% of units must be reserved for extremely low-income households (30% AMI)
 - at least 50 units, or 50% of the total units, whichever is greater, must be reserved for very low-income households (50% AMI)
 - Measure A funds may only pay for units that are designated for extremely low- and very low-income households and shall not be used in connection with any unit that is income restricted solely due to development incentives, density bonuses, or similar programs.
3. Project is mixed-income, including units above 120% AMI, and, in addition:
 - 10% of units must be reserved for extremely low-income households (30% AMI)
 - 10% of units must be reserved for very low-income households (50% AMI)
 - Measure A funds may only pay for units

³⁰ https://file.lacounty.gov/SDSInter/lac/1169975_Special-Sales-Tax-to-Fund-Homelessness-Programs-and-LACAHS.pdf

³¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB679

that are designated for extremely low-, very low-, and low-income households at or below 80% of AMI, and shall not be used in connection with any unit that is income restricted solely due to development incentives, density bonuses, or similar programs.

The Health and Safety Code uses consistent language in defining the household income limits for Extremely Low Income (ELI / 30% AMI) Very Low Income (VLI / 50% AMI), Low Income (LI / 80% AMI), and Moderate Income (MI / 120% AMI). The language in all cases aligns the household limits that are “adjusted for family size by the California Department of Housing & Community Development with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section of the United States Housing Act of 1937.”³² Notably, the HUD methodology adjusts the ELI, VLI, and LI household income limits upwards to account for a region’s high housing costs. However, HUD does not adjust the MI household income limits in the same way and neither does the department. Consequently, the MI household limits (\$117,850 for a family of four in 2024) are only marginally higher than the LI household income limits (\$110,950 for a family of four in 2024).³³ This limits the positive impact of increased rental income on a project’s economics afforded by including 120% AMI rather than 80% AMI Units.

2. Project-Level Requirements – Preservation

For projects preserving existing subsidized affordable housing or converting market-rate housing to affordable, Government Code section 64830(d)(1)(B)(ii) states:

“Buildings acquired for the purpose of affordable housing preservation shall achieve 100 percent occupancy by extremely low or very low income households over time through unit turnover.”

This allows for buildings that are not currently

subsidized to be converted to affordable housing over time, working towards occupancy of 100% of the building affordable to households earning 50% AMI or below. This provision effectively prohibits the use of Measure A funding for tenant evictions, even if the tenants are not income-qualified following the affordability conversion.

3. Portfolio-Level Requirements

Lastly, for Eligible Jurisdictions, 25% of all homes funded must serve households earning at or below 30% of AMI, and 25% of all homes must serve households earning at or below 50% AMI. This is evaluated on a rolling two-year period. Specifically, Government Code section 64830(d)(1)(A)(i)(I) states:

“(I) For each of the eligible jurisdictions, as defined in paragraph (1) of subdivision (a) of Section 64830.5, 25 percent of all funded units shall be reserved for extremely low income households, as defined in Section 50106 of the Health and Safety Code, and 25 percent shall be reserved for very low income households, as defined in Section 50105 of the Health and Safety Code, over any two-year period, with regular monitoring by the citizens’ oversight committee and board of units funded and constructed during that two-year period.”

³² California Legislative Information. Section 50093 of the Health and Safety Code. https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=50093.

³³ California Department of Housing and Community Development. 2024 State income Limits. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2024.pdf>

LCAHSA's Unique Role in Affordable Housing Finance

LCAHSA is uniquely positioned to enhance the existing housing finance system. LCAHSA and Eligible Jurisdictions can both fill financing gaps for conventionally financed affordable housing projects and pursue innovations to

increase the production of affordable homes. Using its dedicated funding stream, regional mandate, and ability to leverage additional funds, LCAHSA will streamline processes, pare back requirements, and increase access to diverse capital sources. Figure 3 below illustrates LCAHSA's innovative value proposition.

Figure 3. LCAHSA Value Proposition for Affordable Housing Finance



Deploying Measure A Revenue through Bond Financing

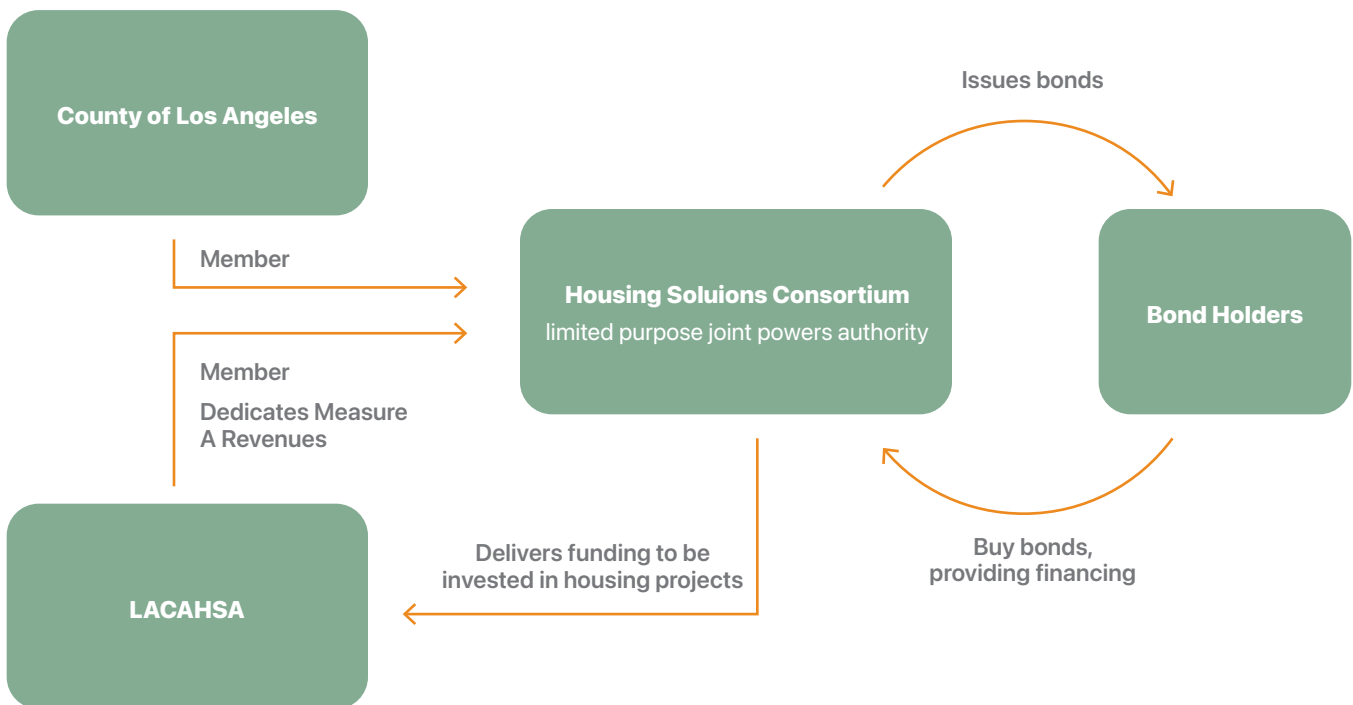
To achieve its production goals, LACAHSa will leverage a social bond strategy, anchored by a dedicated conduit issuer—the newly formed **Los Angeles Housing Solutions Consortium (HSC)**—to unlock long term, low cost capital for affordable housing production and preservation across Los Angeles County. The HSC will serve as a *“limited purpose joint powers agency”* to issue bonds under the Marks Roos Local Bond Pooling Act. Its sole function is to issue sales tax revenue bonds secured by a portion of LACAHSa’s Measure A revenues, ensuring that the financing structure remains fully aligned with LACAHSa’s statutory mission and independent of private activity bond policies.

Through a revenue exchange agreement, LACAHSa will pledge a share of its Measure A revenues dedicated to *“the production of new affordable housing or the preservation of existing*

affordable housing,” allowing LACAHSa to bring forward an estimated \$200 million in capital to fund projects selected through its Notice of Funding Availability (NOFA). Critically, the HSC will have no ‘operations’ within the County, as its only function will be to serve as a conduit issuer for LACAHSa, as depicted in Figure 4 below. All funding decisions, regulatory agreements, and affordability commitments remain under the authority of the LACAHSa Board.

This strategy enables LACAHSa to scale its impact quickly, accelerate deployment of Measure A resources, and finance a pipeline of deeply affordable housing without relying on CDLAC volume cap or private activity bond structures. It positions the organization to meet regional housing needs with a flexible, mission driven financing tool that preserves long term affordability and supports equitable development across the county.

Figure 4. Social Bond Structure



Overview of Eligible Uses

The following section identifies five categories of eligible PPO uses. Within each category, LACAHSAs have identified a variety of financial tools that can be deployed and often combined to deliver and preserve affordable homes. Both LACAHSAs and each Eligible Jurisdiction will have flexibility to deploy the tools that best respond to its unique market conditions, organizational capacity, and individual risk tolerance. As agencies design their own Production, Preservation, and Ownership programs, considerations should include:

- **Usage:** Will the tool target production, preservation, or homeownership opportunities?
- **Subsidy Type:** Does the source have ownership interest or is it a loan that must be repaid? Is it structured as a one-time payment or ongoing payments?
- **Agency Role:** Does the agency have the internal capacity to administer the tool?
- **Households Served:** what levels of affordability are associated with the tool?

If an Eligible Jurisdiction wants to allocate LACAHSAs funds to a use that has not been preapproved in the Expenditure Plan and Program Guidelines, the Eligible Jurisdiction may submit its proposed use to LACAHSAs in a funding request. The funding request should include a summary of the proposed activity and how it aligns with Measure A and the Act. The request will be submitted to the LACAHSAs Board or a committee established by the Board for consideration and approval. The Board or its designee will determine whether the proposed use is eligible and whether it will require an amendment to the Expenditure Plan.

The eligible uses within this section are the financing tools that can be utilized by LACAHSAs and Eligible Jurisdictions. The tools can be deployed to invest in a variety of housing typologies and ownership structures. Each jurisdiction is given the flexibility to invest in diverse housing typologies including but not limited to traditional multifamily housing, social housing, adaptive reuse, land acquisition, ADUs, NOAH preservation, LIHTC resyndication, and mobile homes. In addition, these tools may be used in concert with one another to support a project's capital and operational feasibility. Table 8 below provides an overview of the eligible financial tools.



Image credit: bluestork via Shutterstock

Table 8. Eligible Uses for Production, Preservation, and Ownership

TOOL	USAGE	SUBSIDY TYPE	HOUSEHOLDS SERVED
Direct Project Investments			
Predevelopment Loan	Predevelopment, acquisition, and/or rehab	Hard-pay debt	Primarily serving households below 80% AMI. Most effective in 30% to 80% AMI range. Tools pair well with operating subsidies to reach deeper affordability.
Senior Construction Loan	New construction or preservation	Hard-pay debt	
Senior Permanent Loan			
Subordinate B-Note	New construction or preservation; must include LIHTC financing	Soft-pay debt	
Residual Receipts Loans			
Light Rehab Preservation Loan	Light rehab of existing affordable or NOAH	Hard-pay debt	
Matching Capital Grant	New construction and acquisition/rehab (including both substantial and light)	Last-in gap financing for projects after Subordinate B-Note or Residual Receipts Loan is maximized, structured as a grant	
Preferred Equity	New construction, preservation, or homeownership	Equity	
Equity Investment			
Rental Subsidy & Operating Deficit Reserve			
Rental Subsidy	New construction or preservation	Annual operating subsidy (one-time or ongoing)	Households earning between 0 – 30% AMI.
Master Lease			
Shallow Rent Subsidy			
Operating Deficit Reserve (COSR)			
Impact Fund			
Mini-Permanent Loan	Predevelopment, acquisition, and/or preservation of existing subsidized affordable and NOAH, or homeownership	Hard-pay debt	Households earning between 30% to 80% AMI. If preservation, at building acquisition, all AMI levels are eligible. As units turnover over time, 100% of the building must reach 50% AMI.
Predevelopment/Acquisition Loan			
Homeownership Products			
Community Land Trust Investment (CLT)*	Homeownership including lease-to-own structures, shared or limited equity resident shareholder ownership	Hard-pay debt, soft-pay debt, grant	Primarily targeted towards households earning below 80% AMI. May serve projects that include homes at 120% AMI; however, funds may only be used for 50% AMI and 30% AMI homes in this scenario.
Limited or Shared Equity Cooperatives Investment			
Interest Rate Subsidy			
Soft Second Mortgage			
Foreclosure Assistance			
Down Payment Assistance			

*Note that CLTs are eligible to participate in both multifamily rental and homeownership programs.

The financial tools can be deployed across various project types, often serving as complementary tools in a single capital stack, or ongoing subsidies to support project financing. Table 9 below illustrates how various housing projects could be suited to multiple financial tools.

Table 9. Eligible Uses by Housing Project Type

		MULTI-FAMILY CONSTRUCTION	ADAPTIVE REUSE	PERMANENT SUPPORTIVE HOUSING	SOCIAL HOUSING	PUBLIC HOUSING	COMMUNITY LAND TRUSTS	SINGLE FAMILY, ADUS, OR MOBILE HOME	LAND ACQUISITION	ACQUISITION & REHAB	LIHTC RESYNDICATION	NOAH PRESERVATION
PPO-New Construction												
PPO-Flexible												
Direct Project Investments	Predevelopment Loan											
	Senior Construction Loan											
	Senior Permanent Loan											
	Subordinate B-Note											
	Residual Receipts Loans											
	Light Rehab Preservation Loan											
	Matching Capital Grant											
	Preferred Equity											
	Equity Investment											
Rental Subsidy and Operating Deficit Reserve	Rental Subsidy											
	Master Lease											
	Shallow Rent Subsidy											
	Operating Deficit Reserve											
Impact Fund	Mini-Permanent Loan											
	Predevelopment/ Acquisition Loan											
Home-ownership Products	Community Land Trust Investment											
	Limited or Shared Equity Cooperatives Investment											
	Interest Rate Subsidy											
	Soft Second Mortgage											
	Foreclosure Assistance											
	Down Payment Assistance											

Direct Project Investments

Purpose

Direct project investments work to address the existing backlog of entitled affordable housing deals in need of gap financing. This may include projects that require local sources to secure LIHTC allocations and/or additional

state funding. Uses within this section are currently commonly used for the development and preservation of affordable and mixed-income projects.

Tool Definitions

Predevelopment Loan	Low-cost debt that is available for costs associated with a project's acquisition (inclusive of land, or sites with existing structures) and predevelopment for a short term (1 to 5 years). Predevelopment or acquisition funds allow affordable housing developers to compete with market-rate developers for preservation and development opportunities.
Senior Construction Loan	Senior construction debt for new construction and substantial rehabilitation projects with the potential to convert to senior permanent financing, with mandatory fixed monthly payments (hard-pay). The loan conforms to typical first mortgages for construction loans in structure with higher leverage and lower cost due to its tax-exempt status.
Senior Permanent Loan	Long-term, senior permanent debt for stabilized new construction and substantial rehabilitation projects, with mandatory fixed monthly payments (hard-pay). The loan conforms to typical first mortgages for permanent loans in structure with higher leverage and lower cost due to its tax-exempt status.
Subordinate B-Note Loan	Subordinate debt with a mandatory fixed monthly (hard-pay) payment, often with below-market interest rates. Debt service payments come from the project's residual income and can include both interest and principal payments. The outstanding loan balance is due when the loan term ends or from a Capital Event, defined as when the property is sold or refinanced. For these loans, the loan-to-value ratio (LTV) is higher, meaning the loan amount is a larger percentage of the property's value. Most properties, especially deeply affordable ones, do not have sufficient residual income to cover payments, making hard-pay subordinate loans uncommon.
Residual Receipts Loans	Subordinate, soft-pay construction-to-permanent debt with below-market interest rates. Payments on the debt are made only if there is surplus project cash flow, with any unpaid interest deferred and accruing. The outstanding loan balance is due when the loan term ends or when the property is sold or refinanced. In most cases, residual receipts loans are underwritten with the expectation that the loan will not be fully repaid at maturity, rather extended, and resubordinated in exchange for continued affordability. Residual receipts loans are the most common existing tool for gap financing currently.
Light Rehab Preservation Loan	Senior financing with a term of up to 15 years for Light Rehabilitation to preserve existing subsidized affordable housing or NOAH units that are at risk of conversion to market-rate units.

Matching Grant	Last-in gap financing for projects after Subordinate B-Note or Residual Receipts Loan (as applicable) is maximized. Matching funds from the Sponsor are required and can be from any source and in any form other than a loan.
Preferred Equity	Preferred equity is prioritized before common equity in the cashflow distribution when the loan term ends or when the property is sold or refinanced. Preferred equity increases the chance for the equity holder to benefit from the project's income and earn more from property sales or refinancing than residual receipts loans. In exchange for reduced risk, preferred equity investors expect smaller returns.
Equity Investment	Non-profit affordable housing developers are limited in their ability to quickly raise equity and acquire larger portfolios of land or affordable buildings. The fund would cover a portion of the equity investment needed to acquire a building or site. It can work in place of or in addition to an Acquisition Strike Loan.

Opportunities and Constraints

- **Substantially Less Public Subsidy.** Compared to a typical LIHTC capital stack comprised of both LIHTC equity and various local government residual receipts loans, pairing the LACAHSAs Senior Loan and Subordinate B-Note products would reduce the need for tax credits, which are limited by federally mandated state bond caps. The required residual receipts loans are comparable in scale to those required for LIHTC projects.
- **Time Efficiencies.** These tools may induce faster timelines from entitlements through construction with a reduced reliance on piecemeal local, state, and philanthropic funding sources. Reduces the complexity of the capital stack.
- **Limited Deal Pipeline for New Funding Source.** Los Angeles County currently has a small pipeline of non-LIHTC mixed-income and affordable housing projects. It will take time for the LACAHSAs Senior and Subordinate B-Note Loan products to be established as a reliable capital source. Developers will likely wait for successful early examples before adjusting their capital stacks and affordability mixes to use the program.
- **Flexibility in Use Case.** Senior loans may be used across building typologies as a construction-to-permanent loan for new construction or substantial rehabilitation, a permanent loan for NOAH preservation, or a forward commitment of a permanent loan for new construction or substantial rehabilitation. Further, residual receipts loans and other soft-pay products offer the most generous and flexible terms of any of the financing tools and are best suited for LIHTC projects that have deep affordability supported by project-based vouchers or other operating subsidies.
- **Opportunities for Use with Preservation and Future Development.** Forgivable cashflow loans and predevelopment/acquisition funds are designed to target preservation of existing NOAH properties or land for future development.
- **Compatibility with Social Housing Models.** Eligible jurisdictions and LACAHSAs may consider utilizing direct project investment, paired with allowance for mixed income buildings under public or nonprofit ownership, where affordability covenants and service plans align with SB 679 goals. LACAHSAs flexibility for projects that include 80% and 120% AMI homes allows for alternative ownership structures like social housing more than traditional LIHTC-financed projects and/or public housing.



Image credit: Madeline Tolle via Shutterstock

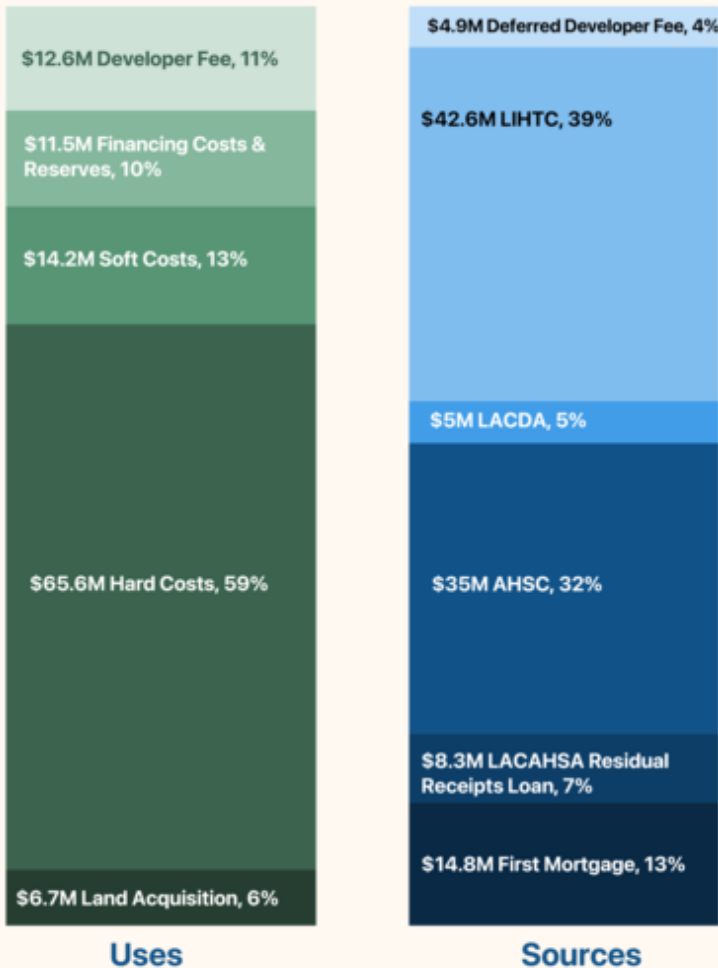
- **Resource Intensity.** Grant and soft-pay loans can be resource intensive and the expectation for repayment is low. Therefore, these loans should be targeted towards the highest priority projects.
- **Strong Need for Operating Subsidies and Residual Receipts Loans.** In most scenarios, a residual receipts loan funded at initial financial closing is necessary to generate the financial return required by all financing sources. The residual receipts loan and/or matching grant could be provided by LACAHS or by the Eligible Jurisdictions. Additionally, rental subsidies and operating deficit reserves may be necessary for homes below 50% AMI to generate sufficient net operating income for the property to meet its debt obligations.
- **Need for Additional Subsidy.** All direct project investment models likely require pairing with existing affordable housing funding sources (local gap financing, LIHTC, federal CDBG/HOME).

Figure 5. Illustrative Example: Direct Project Investments with 4% LIHTC

Figure 5 provides an illustrative example of how an affordable housing project is conventionally financed in Los Angeles County. Projects typically require multiple direct project investments, in addition to 4% LIHTC allocation and tax-exempt debt. In this illustrative example, the total development cost to develop a 138-unit residential complex is \$110 million—nearly \$800,000 per unit. Although high, this per unit cost is aligned with typical 4% LIHTC deals in Los Angeles County. Because of the high cost, multiple residual

receipt loans or other forms of subordinate debt are required to fill the financing gap.

The project requires a one-time, upfront investment of \$57,200 per unit in residual receipts loans, provided by LACAHSAs, Eligible Jurisdictions, or a combination of both. Due to funding limitations, multiple sources—including Eligible Jurisdictions, LACAHSAs, and philanthropic or other funders—are likely needed.



Key Assumptions	
# of Units	138
Affordability Mix	25% @ 30% 25% @ 50% 50% @ 60%
Building Type	New Construction
Total Development Cost	\$110.6M
Per Unit	\$801.7K
LACAHSAs Residual Receipts Loan	
Term	17 years
Amortization	Residual Receipts
Interest Rate	3%

LACAHSAs Rental Subsidies	
30% AMI Units	35
Annual Payment to Project	\$494K
Term	20 years

*Includes two managers units at 60% AMI
Assumes 100% CA Welfare Tax Exemption.*

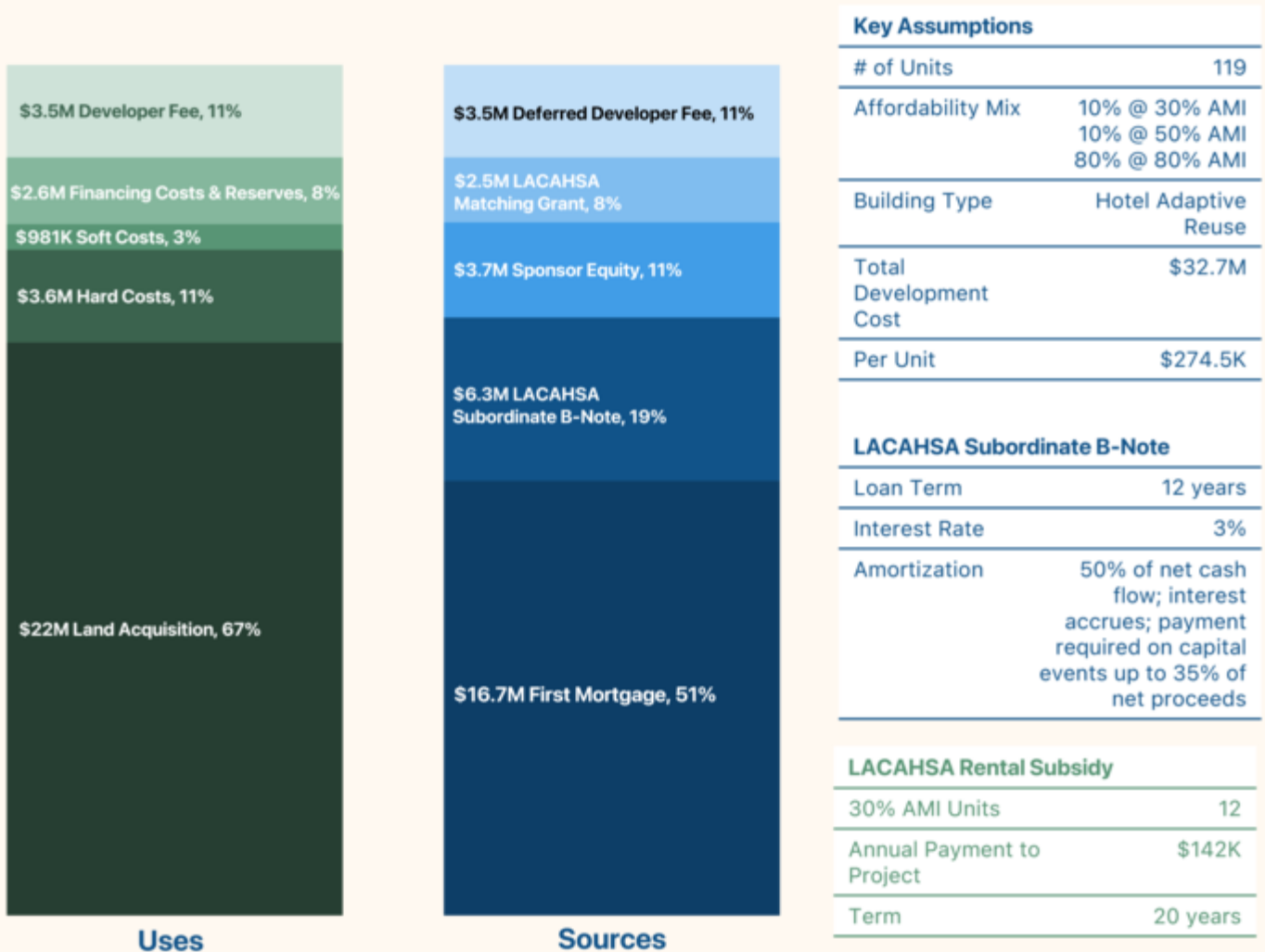
Note: For more information on assumptions, please see Appendix D. Financial Analysis Assumptions.

Figure 6. Illustrative Example: LACAHS A Mortgage

Figure 6 provides an illustrative example of a LACAHS A Subordinate B-Note utilized to build a 119-unit, adaptive-reuse, hotel to residential conversion. The sources include a first mortgage, a LACAHS A Subordinate B-Note, and LACAHS A Matching Grant. In this example,

the project has also secured LACAHS A rental subsidies for the 12 units at 30% AMI.

The project requires a one-time, upfront investment of \$73,000 per unit and an ongoing annual subsidy of \$142,000.



Note: For more information on assumptions, please see Appendix D. Financial Analysis Assumptions.

Rental Subsidy and Operating Deficit Reserve

Purpose

New or existing buildings with deep affordability may require additional one-time or ongoing payments to pay operating expenses and debt service payments.

Tool Definitions

Rental subsidy and operating deficit reserves can provide one-time or ongoing payments to pay for expenses such as utilities, maintenance, taxes, management, as well as debt service payments.

New Construction

Rental subsidy and operating deficit reserves can be provided to a new construction property for up to 15 years, with renewable terms allowed so long as that property has established affordability covenants.

Existing Properties

Rental subsidy and operating deficit reserves for existing properties may be eligible for PPO-

Flexible funds based on the existing or new affordability covenants placed on the property. Such projects must receive LACAHS technical assistance and approval prior to obligation. Assisting an existing property is eligible within the Flexible Production, Preservation, and Ownership category of PPO activities, as long as it is tied to the extension or deepening of affordability in the assisted units. Rental subsidy and operating deficit reserves may come in multiple forms, including, but not limited to tools described below.

Affordability Requirements

Rental subsidy and operating deficit reserves—including rental subsidy, master leasing, and shallow rent subsidies—that provide direct rental assistance are limited to households at or below 30% of AMI.

Operating Deficit Reserves that support a building’s ongoing operations and are not tied to rental incomes, can be used for households at or below 80% of AMI.

Tool Descriptions

Rental Subsidy	<p>Rental subsidy provided through a lease agreement to cover the rental payment gap between:</p> <ul style="list-style-type: none"> • 30% of a resident’s income, which resident pays to the lessor and, • fair market rent, or another target rent, which the lessor pays to the owner.
Master Lease	<p>Master leasing is a housing strategy where an organization (such as a nonprofit or government agency) becomes the primary tenant by leasing homes within a building or an entire building from the owner. The master lessor then subleases these spaces to individuals who might otherwise face barriers to housing. Master leasing is eligible within the Flexible Production, Preservation, and Ownership category of PPO activities as long as it is tied to the extension or deepening of affordability in the master leased units.</p>
Shallow Rent Subsidy	<p>An ongoing monthly payment for a set share of units within a building to reduce the cost burden of lower income residents.</p>
Operating Deficit Reserve	<p>Financial reserve created to cover eligible operating deficits, such as shortfall in rental income, operating expenses, or reserves for replacement contributions.</p>

Opportunities and Constraints

- **Best for Deeply Affordable Units.**

Operating subsidies are frequently needed for new construction and preservation of PSH projects and projects with a share of homes affordable to 30% and 50% of AMI.

- **Increased NOI Certainty.** Operating subsidies, depending on the time period agreed upon to provide funding, can increase the certainty that the building will have high enough net operating income to cover its debt obligations.

- **Reduced Lease-Up Risk.** Some rent and operating subsidies can help to remove lease-up timing risk, covering the rent of a home while it is vacant and getting households into homes faster. Rent and

operating subsidies can also mitigate some risk associated with a building's ability to attract voucher holders.

- **Large, Ongoing Investment.** Depending on the type of operating subsidy and how the contract is structured, operating subsidies may require a substantial annual investment. For permanent supportive housing, an even larger subsidy would be required.

- **Exit Assumptions.** For underwriting purposes, short 5-year rent and operating subsidies create voucher overhang risk for projects and create financing challenges in the long term. Longer term rent and operating subsidies (such as 10 to 15 years) may be considered to address financing challenges.

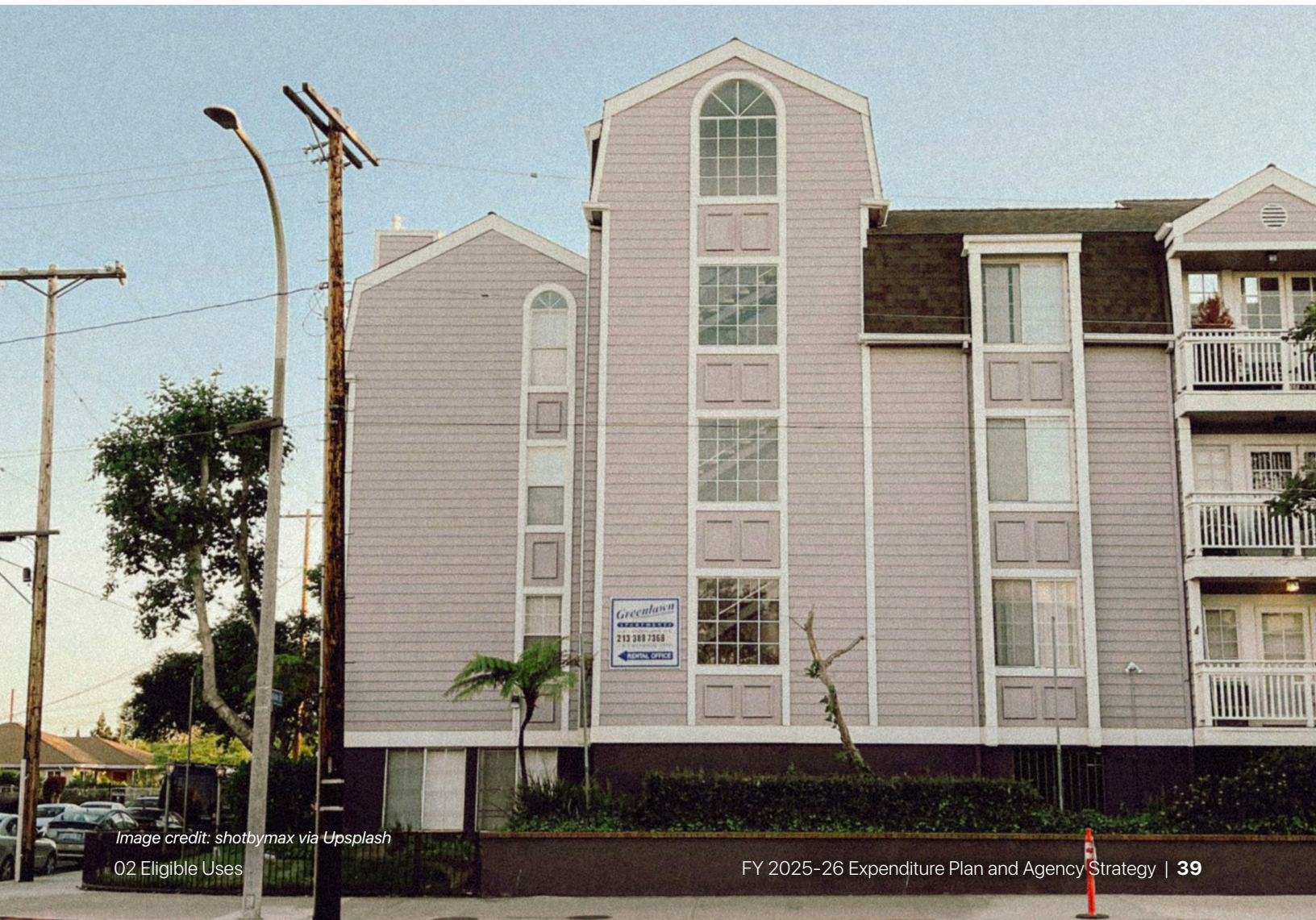
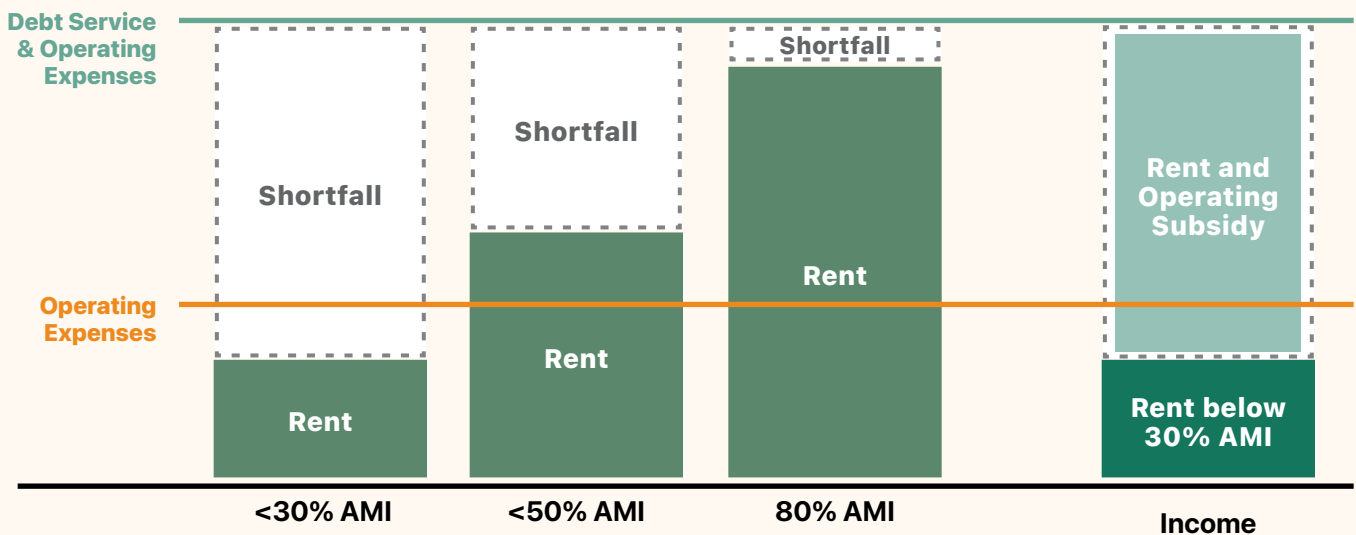


Image credit: shotbymax via Upsplash

Figure 7. Illustrative Example: Rent Required to Cover Monthly Operating & Financing Expenses

Rent and operating subsidies may be necessary for a building to be able to pay its monthly operating expenses and service its debt. Figure 7 demonstrates how this shortfall varies depending on the AMI level of the home. In the case of a home with a rent limit of 30% of AMI, a rental and operating subsidy would be needed to both meet operating expenses and

pay for ongoing debt service. The scale of this necessary subsidy decreases as the AMI level of the home increases. The final column on the right demonstrates how a rent and operating subsidy can help to fill this gap. Each home affordable to households at or below 50% of AMI requires an ongoing subsidy ranging from \$4,700 to \$19,000 per year.



Note: For more information on assumptions, please see Appendix D. Financial Analysis Assumptions.

Impact Fund

Purpose

Impact funds are intended to leverage additional capital sources in conjunction with public funding to preserve existing subsidized affordable housing, acquire and preserve Naturally Occurring Affordable Housing (NOAH), and in the future, develop housing products at a faster and less costly pace.

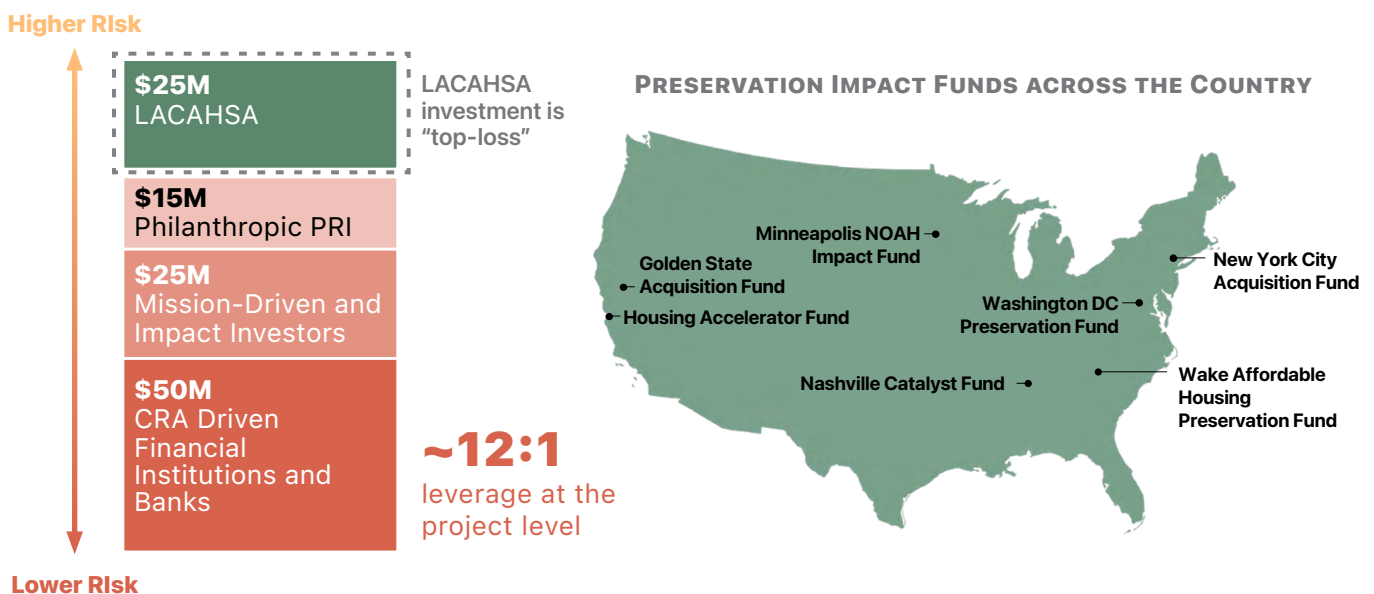
Definitions

Impact funds offer below-market financial terms and greater flexibility than typical financing by raising impact-driven investments. A public entity seeds a new impact fund serving as first-loss capital and attracting mission-driven capital sources including philanthropy through program-related investments (PRI) or Mission Related Investments (MRI), impact investors, and Community Reinvestment Act (CRA)-motivated financial institutions. The fund may be held by LACAHSAs, an Eligible Jurisdiction, or by a qualified CDFI or other financial institution. The focus of the impact fund may be on preserving existing subsidized affordable housing, as well as acquiring and

preserving Naturally Occurring Affordable Housing (NOAH). Eligible Jurisdictions can also elect to participate in a LACAHSAs-led impact fund through investment of first-loss capital or provision of residual receipts loans to awarded projects.

Impact funds are tools used throughout the country to preserve housing affordability. Figure 98 highlights some of these example funds utilized for the acquisition and preservation of existing subsidized affordable housing and preservation of NOAH. On the left, the diagram depicts an illustrative example of how these precedent funds are structured. A public entity acts as first-loss capital, leveraging additional investments of varying risk levels. At a project level, there may be up to a 12:1 leverage ratio utilizing this additional lower-cost debt.

Figure 8: Illustrative Fund Composition and Preservation Impact Fund Comparisons



Tool Descriptions

Mini-Permanent Loan	Low-cost debt with mandatory fixed monthly payments (hard-pay) used to cover immediate acquisition and rehabilitation requirements for a medium term (less than 5 to 7 years).
Predevelopment / Acquisition Loan	Low-cost debt that is available for costs associated with a project's acquisition (inclusive of land, or sites with existing structures) and predevelopment for a short term (1 to 5 years). Predevelopment or acquisition funds allow affordable housing developers to compete with market-rate developers for preservation and development opportunities.

Opportunities and Constraints

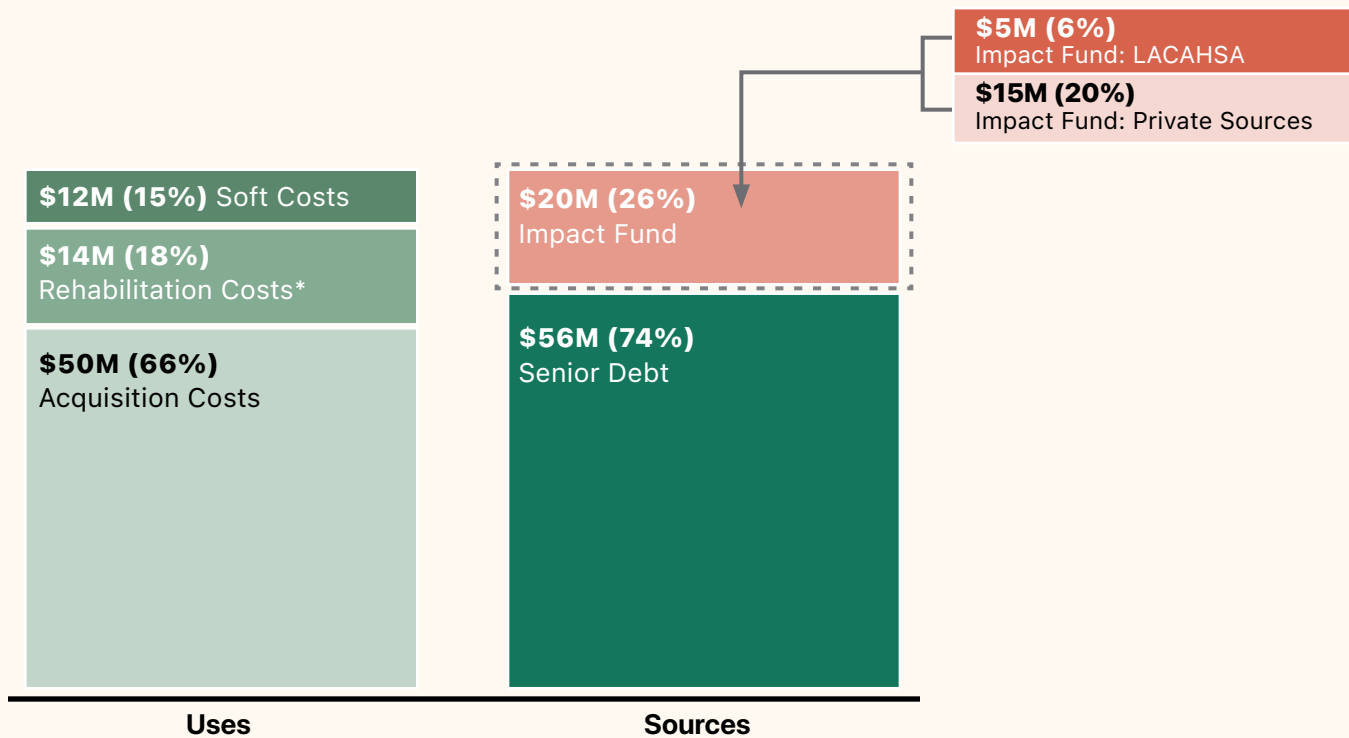
- **Preservation of Existing Affordability.** An impact fund will primarily invest in the preservation of existing affordable homes, including:
 - subsidized affordable properties, such as recapitalization properties (e.g., existing PSH or master leased projects) or expiring affordability restrictions, and
 - acquisition and rehabilitation of NOAH or conversion of existing market-rate homes.
- **Leverage.** An impact fund structure creates opportunities to access additional capital markets by pairing low-cost capital from public entities with investments from mission-driven investors (philanthropy, CRA institutions, etc.). An initial investment from a public entity into the fund creates increased certainty of returns for mission-driven investors, drawing in additional capital that would not be available otherwise. The result is a lower share of funding required per unit when compared with a direct project investment.
- **Time Efficiencies.** An impact fund would allow faster deployment of capital compared to traditional public tools, making preservation of properties feasible.
- **Still Requires Operating Subsidies and Residual Receipts Loans.** In most scenarios, a residual receipts loan funded at initial financial closing is necessary to generate the financial return required by all financing sources. This is due to high financing and total development costs. Either Eligible Jurisdictions or LACAUSA, through its retained funding, could provide the residual receipts loan. Additionally, operating subsidies for homes below 50% AMI may be necessary to improve net operating income for some projects.
- **Deferred Maintenance Needs.** For some properties, the scale of capital improvements may qualify the project as substantial rehabilitation. In these scenarios, greater upfront capital expenditure will be required to improve the homes' quality up to minimum standards. Under SB 679, preservation projects involving substantial rehabilitation are considered new construction.
- **Limited Share of Capital Stack.** When projects already have a high-leverage first mortgage, there is little cash flow available to support additional debt.
- **Limited Investment Term.** Most impact funds provide bridge capital during the initial investment and renovation period for preservation products. Refinancing at the end of the term may pose a challenge for deeply affordable projects.

Figure 9. Illustrative Example: Impact Fund Investment

Figure 9 provides an illustrative example of an affordable housing acquisition and rehabilitation project financed by an Impact Fund investment. In this example, the total cost of development is \$380,000 per unit—typical of a moderate rehab in LA County. Although most of the project can be financed with traditional debt, the \$20 million Impact Fund investment bridges the financing gap, allowing the project to provide deeper levels of affordability. The \$5 million investment from LACAHSAs serves as “top-loss” money,

to secure the \$15 million investment from private sources.

The project requires a one-time investment of \$100,000 per unit in residual receipt loans—funded by both LACAHSAs and its Impact Fund partners. Each home affordable to households at or below 50% of AMI also requires an ongoing subsidy ranging from \$4,700 to \$19,000 per year. Over time, additional investments will be needed to cover capital investments.



*This is a moderate level of rehab, over the longer-term additional investment capital improvements will be needed.

KEY ASSUMPTIONS

# of Units	200
Affordability Mix	100% @ 50%
Construction Type	Acquisition and Substantial Rehab, Mid-Rise
Total Development Cost	\$76M
Total Development Cost per Unit	\$380K

Homeownership Products

Purpose

Homeownership products aim to create opportunities for affordable homeownership and wealth building by bolstering shared equity ownership opportunities, buying down interest rates, down-payment assistance, foreclosure prevention, and increasing access to credit and/

or purchase capacity for low- to moderate-income households.

Homeownership products include a variety of financing structures to improve the affordability of existing ownership opportunities or to increase the production or preservation of affordable homeownership opportunities.

Tool Descriptions

Community Land Trust Investment	Community Land Trusts retain ownership of the underlying land and allow owners to only purchase the home. Investments in Community Land Trusts may include, but are not limited to, loan products for households to purchase homes through a community land trust, interest rate subsidies, ownership by Community Land Trusts, or direct investments into Community Land Trust organizations.
Limited or Shared Equity Cooperatives Investment	Limited Equity Cooperatives (LECs) and Shared Equity Cooperatives (SECs) provide opportunities for households to purchase a share of a development as opposed to an individual home. Price growth is restricted based on a formula for equity growth, and shares in the building can be resold at prices that ensure continued affordability and modest equity growth. Investments in LECs and SECs may include, but are not limited to, construction subsidies or low-interest financing, through the provision of loan products for residents to own shares in a cooperative housing corporation.
Interest Rate Subsidy	Capital to reduce the upfront cost of homeownership through a payment on a portion of interest owed.
Soft Second Mortgages	Capital to reduce the upfront cost of homeownership through a permanent loan, forgivable over a specific period of time, for income-qualified households to cover a portion of the down payment and/or closing costs for a home.
Foreclosure Assistance	Programs, services, or resources designed to help homeowners who are at risk of losing their homes due to missed mortgage payments. Foreclosure assistance may include, but is not limited to, loan modification, emergency financial aid, or temporary mortgage assistance.
Down Payment Assistance	Down Payment Assistance provides financial assistance to eligible homebuyers to offset a portion of the upfront equity contribution required at the time of home purchase. Funds may be structured as grants, deferred-payment loans, or forgivable loans and can be used for down payment and/or closing costs.

Opportunities and Constraints

- **Wealth Building for Low-and-Moderate Income Households.** Homeownership can provide a pathway to generational wealth, particularly for groups historically excluded from homeownership markets.
- **Expanding Pathways to Homeownership.** Homeownership products can be paired with Tenant Opportunity to Purchase (TOPA) and Community Opportunity to Purchase (COPA) policies to provide tenants and/or qualified purchasers the opportunity of the Right of First Offer and/or Right of First Refusal to potentially purchase their homes. A qualified purchaser could include a nonprofit, affordable housing developer, cooperative corporation controlled by a majority of residents, a limited equity co-op, or community land trust.
- **Ability to Target Variety of Housing Typologies.** Homeownership products may support a variety of entry level homeownership opportunities. This may include:
 - existing shared equity building typologies;
 - new construction affordable homeownership opportunities, such as condos, accessory dwelling units (ADUs), townhomes, mobile homes, or single-family homes;
 - Preservation of existing affordable homeownership products, such as existing Below-Market-Rate (BMR) units.
- **Resource Intensive.** While allowable under the LACAHS Act, these products require significant investments of capital to support a relatively small number of homes or households. The scale of resource intensity may make some homeownership products incompatible with reaching LACAHS's goals.



Image credit: Dogora Sun via Shutterstock

Renter Protection & Homelessness Prevention (RPHP)

Allocations

In FY 2026 – 27, 30% of the LACAHSAs budget will be dedicated to Renter Protection and Homelessness Prevention (RPHP)—\$115.5 million. As mandated in the LACAHSAs Act, this funding is designed to help “renters of lower income households” (0 – 80% AMI) and eligible uses can include, but are not limited to:

“(i) Pre-eviction and eviction legal services, counseling, advice and consultation, training, renter education and representation, and services to improve habitability that protect against displacement of tenants.

(ii) Providing rental assistance for lower-income households. Rental assistance shall be provided to a specific household for a reasonable amount of time not to exceed six months, and shall be paired with supportive services, such as eviction prevention and defense, to the greatest extent possible.

(iii) Providing relocation assistance for lower income households beyond what is legally required of landlords according to local or state law.”³⁴

The distribution of RPHP funds by jurisdiction is presented in Table 10 below.

Table 10. Estimated LACAHSAs Funding for Renter Protection and Homelessness Prevention by Jurisdiction

AGENCY	TOTAL FOR RPHP	% OF RPHP TOTAL	% OF LACAHSAs TOTAL
1 LACAHSAs (including small cities TA)	\$34,665,791	30.00%	9.00%
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$2,162,696	1.87%	0.56%
3 City of Glendale	\$2,091,288	1.81%	0.54%
4 City of Long Beach	\$4,611,025	3.99%	1.20%
5 City of Los Angeles	\$40,149,748	34.75%	10.42%
6 City of Santa Clarita	\$831,593	0.72%	0.22%
7 Gateway Cities Council of Governments/ Gateway Cities Affordable Housing Trust	\$8,094,356	7.00%	2.10%
8 Lancaster-Palmdale Regional Housing Trust	\$2,003,241	1.73%	0.52%
9 Las Virgenes/Malibu Council of Governments	\$173,321	0.15%	0.04%
10 San Fernando Valley Council of Governments	\$145,936	0.13%	0.04%
11 San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	\$8,282,443	7.17%	2.15%
12 South Bay Cities Council of Governments South Bay Regional Housing Trust	\$4,908,374	4.25%	1.27%
13 Unincorporated Los Angeles County	\$5,315,539	4.60%	1.38%
14 Westside Cities Council of Governments	\$2,117,286	1.83%	0.55%
TOTAL	\$115,552,636	100.0%	30.00%

34 https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB_679

Statutory Requirements

LACAHSAs establishing legislation mandates protection of renters from housing instability, displacement, and homelessness. Therefore, LACAHSAs encourages the flexible use of funds that support housing stability within the following statutory requirements established by the LACAHSAs Act:

- RPHP funds must be used for low-income renters with a household income between 0% and 80% of Area Median Income (AMI).³⁵
- RPHP funds cannot fund support services for individuals experiencing homelessness.³⁶
- Rental assistance cannot exceed six months and should be paired with supportive services.

LACAHSAs has adopted program guidelines to further implement and interpret the requirements of the Act.

LACAHSAs Unique Role in Renter Protection and Homelessness Prevention

As a regional organization, LACAHSAs has the unique ability to develop a comprehensive, approach to renter protection and homelessness prevention throughout Los Angeles County to maximize limited resources, improve equitable access to services, and ensure effective outcomes in reducing homelessness. An integrated approach for Los Angeles County is essential for maximizing the impact of resources, creating equitable access to services, ensuring effective outcomes in reducing homelessness, and to:

- Make access to services consistent for households across the region;
- Facilitate more efficient referrals and resource coordination;
- Target resources to households most likely

to become homeless or experience housing instability without assistance;

- Promote regional alignment and reduce duplication; and
- Enable consistent data collection to support program evaluation and equity analyses.

To support this approach across the region, LACAHSAs is developing an Integrated Service Model (ISM) and provides the option for Eligible Jurisdictions to participate—or “opt-in”—to this model.

The ISM was designed in collaboration with participating Eligible Jurisdictions and builds on and enhances coordination between RPHP programs to deliver standardized, comprehensive RPHP services throughout Los Angeles County. It’s a networked model with shared tools and administrative functions as well as streamlined contracting, reporting, and compliance.

With LACAHSAs annual allocation of funding, the Agency will fund the infrastructure and staffing for a baseline countywide ISM. For FY 26-27 the Integrated Service Model will include the combination of the following eligible RPHP uses:

The Integrated Service Model will include a combination of all eligible RPHP uses:

- Legal Services and Renter Education
- Emergency Rental & Flexible Financial Assistance

In the future, the ISM may be used to administer programs related to:

- Temporary Rental Assistance
- Short-Term Income Support

Eligible Jurisdictions have a menu of options for joining the ISM, delivering a consistent and accessible countywide program for renters in need and higher levels of service to Eligible

³⁵ As defined in Section 50053 of the California Health and Safety Code.

³⁶ As specified in Government Code section 64710.

Jurisdictions. Pooling resources allows a greater share of local dollars to be directed to financial assistance and legal services rather than administrative costs. Options for joining will be determined on a case-by-case basis with each EJ and include:

- Co-invest all or a portion of Emergency Rental and Flexible Financial Assistance funding and use the central fiscal administrator to disburse funds
- Co-invest all or a portion of Legal Services funding and use the central fiscal administrator to disburse funds
- Use the online portal and shared prioritization tool with or without co-investing funds
- Use the central fiscal administrator to disburse funds with or without co-investing funds
- Participate in streamlined contracting managed by LACAHSAs
- Other mutually beneficial arrangements

Eligible Jurisdictions and other countywide stakeholders may contribute additional resources to the Integrated Service Model or align other non-LACAHSAs funded services with the ISM. For example, if an Eligible Jurisdiction

operates an existing prevention program and would like to bring it under the “umbrella” of the ISM, it may do so and use the shared tools and systems developed for the ISM. Similarly, if a funder would like to fund a program that supports a specific subpopulation or region, the funds could be administered through the ISM and allocated and tracked according to funder discretion.

Participation in the Integrated Service Model will include technical assistance and capacity building support for collaborative planning and evaluation activities such as:

- Providing guidance to LACAHSAs on specific needs within their jurisdiction and the corresponding distribution of resources across the RPHP eligible uses
- Continuous communication/feedback on the operation of countywide, integrated approach
- Identification of streamlined approaches to contracting and compliance
- System evaluation activities to review performance
- Countywide learning collaboratives or other stakeholder engagement activities to share data and best practices and support continuous improvement

Overview of Eligible Uses

The following outlines four eligible uses of RPHP funds: legal services and renter education; emergency rental and flexible financial assistance, temporary rental assistance and short-term income support. Eligible Jurisdictions may provide services

directly, through partnerships with contracted service providers, and in partnership with LACAHSA and other eligible jurisdictions on countywide or regional initiatives. As needed, inquiries regarding eligible additional uses for RPHP funding may be raised to the LACAHSA's Chief Programs Officer for assistance and consideration.

Table 11. Eligible Uses for Renter Protection and Homelessness Prevention

OVERVIEW OF TOOLS	
Legal Services & Renter Education	Legal Services and Renter Education provide legal representation, advocacy, outreach, and education to households at risk of losing their housing.
Emergency Rental & Flexible Financial Assistance	Emergency Rental and Flexible Financial Assistance provides an array of financial assistance for housing-related expenses to households at risk of losing their housing.
Temporary Rental Assistance	Temporary Rental Assistance provides rental assistance for households at risk of losing their housing or who have a housing crisis which the household cannot resolve independently.
Short-Term Income Support	Short-Term Income Support provides income assistance for households at risk of losing their housing.

Legal Services & Renter Education

Legal Services and Renter Education offers legal representation, advocacy, outreach, and education to households at risk of losing their housing. Eligible Legal Services and Renter Education activities include, but are not limited to, the following:

- Renter outreach and education
- Evaluation of underlying issues affecting the client's legal situation
- Holistic legal representation and advocacy for issues that directly impact a household's ability to remain housed:
 - Housing issues such as pre-leasing, obtaining vital documents, reasonable accommodations, habitability, pre-eviction and eviction defense
 - Clearing evictions, tickets, warrants, or criminal records
- Application for or appealing the denial of public benefits
- Other housing-related legal issues such as domestic violence, consumer finance, immigration, and issues affecting family composition (divorce, child support, restraining orders, health concerns)
- Mediation Services, including negotiating payment plans
- Pre-eviction and eviction defense services
- Right-to-counsel legal services
- Limited payments associated with court appearances (e.g. court filing fees)

Emergency Rental & Flexible Financial Assistance

Emergency Rental and Flexible Financial Assistance provides financial assistance for a variety of housing-related expenses to support the stabilization of households experiencing an immediate housing crisis and at risk of losing their housing. Eligible Emergency Rental and Flexible Financial Assistance expenses include the following:

- Security Deposits and Other Required Deposits
- Rental Assistance (up to 6 months)
- Rental Arrears (no time limit for how far back arrears can be paid)
- Utility Deposits
- Utility Assistance
- Utility Arrears
- Move-in Expenses
- Essential Furniture and Cleaning
- Moving Expenses
- Relocation Expenses (to cover costs beyond what is legally required of property owners according to local or state law)
- Housing Stability Expenses:
 - Document Fees

- Employment-Related Expenses
- Transportation-Related Expenses, including vehicle repairs, public transportation costs, and rideshare service costs
- Healthcare Costs, including medical bills
- Food
- Dependent Care
- Short-Term Vocational Training

Temporary Rental Assistance

Temporary Rental Assistance provides direct financial support to households who are most at risk of losing their housing or who have a housing crisis which the household cannot resolve independently. The program can be used to support up to 6 months of either rental or utility payments and can also provide step-down assistance for eligible households exiting time-limited or permanent subsidy programs.

Short-Term Income Support

Short-Term Income Support involves providing direct income assistance for households at risk of losing their housing. Short-Term Income Support payments are made directly to eligible households. Short-Term Income Support provides financial assistance to help eligible households meet their basic needs during temporary periods of financial instability.

Technical Assistance (TA) Allocations

In FY 2025 – 26, 5% of the LACAHSAs budget will be dedicated to Technical Assistance (TA) programs—\$19.1 million. As mandated in the LACAHSAs Act, Technical Assistance includes research and policy development and eligible uses include, but are not limited to:

“(A) Collecting and tracking information related to displacement and displacement risk, rents, and evictions in the region.

(B) Drafting model affordable housing land use ordinances that may be adopted by any jurisdiction in Los Angeles County.”³⁷

The LACAHSAs Act also requires that the Agency a) set aside programmatic funds specifically to provide technical assistance to cities with a population under 50,000 and b) create a bench of consultants able to provide technical assistance to those cities. The distribution of TA funds by jurisdiction is presented in Table 14 below.

Table 12. Estimated LACAHSAs Funding for Technical Assistance by Jurisdiction

AGENCY	TOTAL FOR TA	% OF TA TOTAL	% OF LACAHSAs TOTAL
1 LACAHSAs (including small cities TA)	\$5,777,632	30.0%	1.50%
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$360,449	1.87%	0.09%
3 City of Glendale	\$348,548	1.81%	0.09%
4 City of Long Beach	\$768,504	3.99%	0.20%
5 City of Los Angeles	\$6,691,625	34.75%	1.74%
6 City of Santa Clarita	\$138,599	0.72%	0.04%
7 Gateway Cities Council of Governments/ Gateway Cities Affordable Housing Trust	\$1,349,059	7.00%	0.35%
8 Lancaster-Palmdale Regional Housing Trust	\$333,847	1.73%	0.09%
9 Las Virgenes/Malibu Council of Governments	\$28,887	0.15%	0.01%
10 San Fernando Valley Council of Governments	\$24,323	0.13%	0.01%
11 San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	\$1,380,407	7.17%	0.36%
12 South Bay Cities Council of Governments South Bay Regional Housing Trust	\$818,062	4.25%	0.21%
13 Unincorporated Los Angeles County	\$885,923	4.60%	0.23%
14 Westside Cities Council of Governments	\$352,881	1.83%	0.09%
TOTAL	\$19,258,773	100%	5.0%

³⁷ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB_679

LACAHSA's Unique Role in Providing Countywide Technical Assistance

LACAHSA is uniquely positioned with both the statutory authority and the regional vantage point to support jurisdictions, especially smaller cities, with technical assistance (TA) through capacity building, program design, due diligence, and implementation support aligned with Measure A. Drawing on extensive engagement with cities and stakeholders, LACAHSA will offer coordinated, scalable, and equity focused resources that strengthen local ability to produce and preserve affordable housing, protect renters, and prevent homelessness.

By dedicating at least 5% of its programmatic budget to TA and deploying tools such as grants, training, professional services, and model ordinance development, LACAHSA is structured to not only fill critical gaps in local capacity but also seed innovation countywide—ensuring more jurisdictions can participate in and benefit from Measure A programs.

LACAHSA will pursue a three-pronged investment strategy to deploy TA tools and resources:

1. **Capacity-Building:** Build institutional, operational, and knowledge skills within Eligible Jurisdictions, small cities, and partners to design, manage, and adapt programs independently.

2. **Effective Implementation:** Accelerate near-term affordable housing production, renter protection, and homelessness prevention outcomes by removing barriers to program execution.
3. **Seeding Innovation:** Support pilots that break new ground that demonstrably increases housing production, protect renters, and prevent people from experiencing homelessness—with an initial focus on supporting social housing.

Overview of Eligible Uses

The following descriptions identify four eligible uses of TA funds. For each type, Eligible Jurisdictions may provide services directly or through partnerships with contracted service providers. If an Eligible Jurisdiction wants to allocate LACAHSA funds to a use that has not been preapproved in the Expenditure Plan and Program Guidelines, the Eligible Jurisdiction may submit its proposed use to LACAHSA in a funding request. The funding request should include a summary of the proposed activity and how it aligns with Measure A and the Act. The request will be submitted to the LACAHSA Board or a committee established by the Board for consideration and approval. The Board or its designee will determine whether the proposed use is eligible and whether it will require an amendment to the Expenditure Plan.

Table 13. Eligible Uses for Technical Assistance

OVERVIEW OF TOOLS

Grants	<p>LACAHSA will administer grants that allow Eligible Jurisdictions, their member jurisdictions, or nonprofits to directly apply for technical assistance funds.</p> <p>LACAHSA will also administer grants that will allow cities with populations under 50,000 to directly apply for technical assistance funds.</p>
Policy Development	<p>LACAHSA may support development of housing and renter protection policies for municipalities who express interest in adopting policy changes but may lack staff capacity. LACAHSA may offer support through a bench of consultants and/or develop centralized resources that jurisdictions can share.</p>
Training & Professional Services Support	<p>LACAHSA may provide direct technical assistance programming for Eligible Jurisdictions and their member jurisdictions to engage in capacity building, effective implementation, or seeding innovation. Eligible programs can include technical workshops, training sessions, education on best practices, and regulatory compliance support.</p> <p>LACAHSA and Eligible Jurisdictions may use Technical Assistance funds to contract additional consultant services related to the strategy areas and to support other TA uses (e.g. policy development, program design, research, and evaluation) ,</p>
Program Design, Research, & Evaluation	<p>LACAHSA and Eligible Jurisdictions may use Technical Assistance funds to support program design, research, and evaluation. Technical Assistance funds can also be used to develop internal staff capacity required to design, operate, monitor, and evaluate related programs. For example, LACAHSA may provide access to data collection, analysis, and tracking tools to evaluate program outcomes.</p>

Grants

LACAHSA will administer a grant program that will allow Eligible Jurisdictions, member jurisdictions, and nonprofits to directly apply for technical assistance funds. The grants could be used to bolster an Eligible Jurisdiction's current allocation of TA funds or provide direct funding to member cities and their Housing or Community Development Departments. LACAHSA and Eligible Jurisdictions may also provide technical assistance grants to other critical stakeholders, such as nonprofits, needed to successfully implement programs

including service providers, community land trusts, and/or affordable housing developers.

As mandated by the LACAHSA Act, LACAHSA will also administer a grant program that will allow cities with populations under 50,000 to directly apply for technical assistance funds. The grants will provide direct funding to member cities and their Housing or Community Development Departments. Funding could also flow through Councils of Government or Housing Trusts.

Policy Development

LACAHSA may support development of housing and renter protection policies for municipalities who express interest in adopting policy changes but may lack staff capacity. LACAHSA may offer support through a bench of consultants and/or develop centralized resources that jurisdictions can share.

Examples of model ordinances may include but are not limited to:

- streamlining entitlements for affordable housing,
- adopting single stair reform,
- enhancing tenant protections and eviction prevention,
- opting-in to SB 10, and
- regulating short-term vacation rentals and enforcement.

Importantly, LACAHSA will collaborate with Eligible Jurisdictions and their municipalities to develop housing policy tools requested by local leaders.

Training & Professional Services Support

LACAHSA and Eligible Jurisdictions may provide direct technical assistance programming for Eligible Jurisdictions and their member jurisdictions to engage in capacity building, effective implementation, and seeding innovation. This includes coordination of activities. Eligible programs can include technical workshops, training sessions, education on best practices, and regulatory compliance support. LACAHSA may hire dedicated staff to lead programming and coordination efforts and/or engage with outside experts including academics, practitioners, and third-party consultants. Capacity building programs may also include investing in training for service providers, affordable housing developers, and other program delivery partners, who may need upskilling to fully participate.

Eligible uses include but are not limited to:

- Full-time staff dedicated to regional coordination, such as an Ombuds role; and
- Training and capacity building workshops for Eligible Jurisdictions related to core services including Notice of Funding Availability (NOFA) administration, loan underwriting, risk analysis, and asset management.
- Training for service providers, affordable housing developers, or other program delivery partners who may need upskilling to fully participate.

LACAHSA and Eligible Jurisdictions may use Technical Assistance funds to contract additional professional services related to policy design and program implementation, monitoring, and evaluation.

- Eligible uses include but are not limited to:
- Program design and NOFA Administration;
- Real estate and land acquisition support;
- Underwriting, closing, and asset management support;
- Program monitoring, auditing, learning, and evaluation;
- Legal counsel;
- Data and policy analysis;
- Public outreach and engagement; and
- Accounting and financial management.

Program Design, Research, & Evaluation

LACAHSA and Eligible Jurisdictions may use Technical Assistance funds to develop internal staff capacity and administrative infrastructure required to design, operate, monitor, and evaluate related programs. Programming may be provided by agency staff, third-party experts, and/or consultants.

Eligible uses include but are not limited to:

- Dedicated staff for policy analysis, program development and administration, monitoring, and/or evaluation;
 - IT infrastructure, data, and software subscriptions necessary for research, policy analysis, program administration, monitoring and evaluation; and
 - Staff attendance at conferences, workshops, or educations training programs focused on program-related technical skills.
- Development of cohorts of Eligible Jurisdictions and/or small cities interested in developing new internal capacities such as developing housing on public land, seeding Community Land Trusts, and/or piloting social housing.

Additional allowances for administrative and direct costs for programs implemented by Eligible Jurisdictions are established and adopted by the Board in LACAHSAs Program Guidelines.



Acknowledgements

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All Eligible Jurisdictions

- County of Los Angeles
- City of Los Angeles
- City of Long Beach
- City of Glendale
- City of Santa Clarita
- San Gabriel Valley Councils of Governments and San Gabriel Valley Regional Housing Trust
- Gateway Cities Councils of Governments and Gateway Cities Affordable Housing Trust
- South Bay Cities Councils of Governments and South Bay Regional Housing Trust
- Westside Cities Councils of Governments
- San Fernando Valley Councils of Governments
- Las Virgenes/Malibu Councils of Governments

- Burbank-Glendale-Pasadena Regional Housing Trust (BGPRHT)
- Lancaster-Palmdale Regional Housing Trust

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Appendices

Appendix A. Housing Needs Data Tables

Table A1 below shows the number of households with low and very-low income (AMI<80%) for each jurisdiction as determined by RHNA and CHAS datasets.

Table A1. Households with low & very low income (AMI <80%) by jurisdiction

NO.	JURISDICTION	ELIGIBLE JURISDICTION	RHNA	CHAS
1	Agoura Hills	Las Virgenes/Malibu Council of Governments	199	585
2	Alhambra	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	2,810	10,620
3	Arcadia	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,672	4,835
4	Artesia	Gateway Cities Council of Governments	480	1,270
5	Avalon	Gateway Cities Council of Governments	13	400
6	Azusa	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,128	4,280
7	Baldwin Park	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	851	5,440
8	Bell	Gateway Cities Council of Governments	67	5,420
9	Bell Gardens	Gateway Cities Council of Governments	129	6,425
10	Bellflower	Gateway Cities Council of Governments	1,503	10,560
11	Beverly Hills	Westside Cities Council of Governments	1,688	3,870
12	Bradbury	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	25	20
13	Burbank	Burbank-Glendale-Pasadena Regional Housing Trust	3,971	14,050
14	Calabasas	Las Virgenes/Malibu Council of Governments	203	1,390
15	Carson	South Bay Cities Council of Governments	2,683	4,325
16	Cerritos	Gateway Cities Council of Governments	1,024	1,410
17	Claremont	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	866	2,410
18	Commerce	Gateway Cities Council of Governments	77	1,245
19	Compton	Gateway Cities Council of Governments	356	8,715
20	Covina	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	882	4,510
21	Cudahy	Gateway Cities Council of Governments	116	4,425
22	Culver City	Westside Cities Council of Governments	1,712	3,220

NO.	JURISDICTION	ELIGIBLE JURISDICTION	RHNA	CHAS
23	Diamond Bar	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,278	2,480
24	Downey	Gateway Cities Council of Governments	3,025	11,515
25	Duarte	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	414	1,655
26	El Monte	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	2,650	14,605
27	El Segundo	South Bay Cities Council of Governments	277	1,105
28	Gardena	South Bay Cities Council of Governments	2,246	7,305
29	Glendale	City of Glendale	5,602	30,165
30	Glendora	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,121	3,315
31	Hawaiian Gardens	Gateway Cities Council of Governments	105	1,425
32	Hawthorne	South Bay Cities Council of Governments	649	14,760
33	Hermosa Beach	South Bay Cities Council of Governments	359	1,285
34	Hidden Hills	Las Virgenes/Malibu Council of Governments	25	10
35	Huntington Park	Gateway Cities Council of Governments	460	9,420
36	Industry	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	10	38
37	Inglewood	South Bay Cities Council of Governments	2,768	16,920
38	Irwindale	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	47	54
39	La Cañada Flintridge	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	387	260
40	La Habra Heights	Gateway Cities Council of Governments	113	145
41	La Mirada	Gateway Cities Council of Governments	976	2,205
42	La Puente	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	819	2,640
43	La Verne	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	653	1,950
44	Lakewood	Gateway Cities Council of Governments	1,933	3,670
45	Lancaster	Lancaster-Palmdale Regional Housing Trust	3,418	16,930
46	Lawndale	South Bay Cities Council of Governments	1,043	4,225
47	Lomita	South Bay Cities Council of Governments	363	2,510
48	Long Beach	City of Long Beach	11,188	66,510

NO.	JURISDICTION	ELIGIBLE JURISDICTION	RHNA	CHAS
49	Los Angeles	City of Los Angeles	184,721	579,125
50	Lynwood	Gateway Cities Council of Governments	516	6,570
51	Malibu	Las Virgenes/Malibu Council of Governments	47	340
52	Manhattan Beach	South Bay Cities Council of Governments	487	710
53	Maywood	Gateway Cities Council of Governments	102	3,580
54	Monrovia	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	781	3,740
55	Montebello	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	2,021	7,620
56	Monterey Park	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	2,146	6,905
57	Norwalk	Gateway Cities Council of Governments	2,305	6,020
58	Palmdale	Lancaster-Palmdale Regional Housing Trust	2,712	11,965
59	Palos Verdes Estates	South Bay Cities Council of Governments	126	250
60	Paramount	Gateway Cities Council of Governments	135	6,620
61	Pasadena	Burbank-Glendale-Pasadena Regional Housing Trust	4,409	17,145
62	Pico Rivera	Gateway Cities Council of Governments	445	4,000
63	Pomona	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	4,138	15,025
64	Rancho Palos Verdes	South Bay Cities Council of Governments	392	1,045
65	Redondo Beach	South Bay Cities Council of Governments	1,444	4,395
66	Rolling Hills	South Bay Cities Council of Governments	29	14
67	Rolling Hills Estates	South Bay Cities Council of Governments	124	65
68	Rosemead	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,792	5,270
69	San Dimas	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	604	1,920
70	San Fernando	San Fernando Valley Council of Governments	734	2,105
71	San Gabriel	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,261	3,925
72	San Marino	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	240	175
73	Santa Clarita	City of Santa Clarita	5,131	11,995
74	Santa Fe Springs	Gateway Cities Council of Governments	412	1,640

NO.	JURISDICTION	ELIGIBLE JURISDICTION	RHNA	CHAS
75	Santa Monica	Westside Cities Council of Governments	4,466	14,605
76	Sierra Madre	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	118	860
77	Signal Hill	Gateway Cities Council of Governments	239	1,240
78	South El Monte	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	195	2,015
79	South Gate	Gateway Cities Council of Governments	3,130	10,740
80	South Pasadena	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	1,155	1,920
81	Temple City	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	980	2,855
82	Torrance	South Bay Cities Council of Governments	2,467	11,885
83	Unincorporated LA County	Unincorporated Los Angeles County	39,339	76,672
84	Vernon	Gateway Cities Council of Governments	9	59
85	Walnut	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	652	735
86	West Covina	San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	2,503	7,390
87	West Hollywood	Westside Cities Council of Governments	1,755	8,845
88	Westlake Village	Las Virgenes/Malibu Council of Governments	87	175
89	Whittier	Gateway Cities Council of Governments	1,562	8,035
TOTAL			340,295	1,166,722

Table A2 below shows the aggregated number of households with low and very-low income (AMI<80%) by Eligible Jurisdiction using RHNA and CHAS datasets.

Table A2. Households with low & very low income (AMI <80%) by Eligible Jurisdiction

NO.	ELIGIBLE JURISDICTION	JURISDICTION COUNT	RHNA	CHAS
1	Unincorporated Los Angeles County	1	39,339	76,672
2	Burbank-Glendale-Pasadena Regional Housing Trust	2	8,380	31,195
3	City of Glendale	1	5,602	30,165
4	City of Long Beach	1	11,188	66,510
5	City of Los Angeles	1	184,721	579,125
6	City of Santa Clarita	1	5,131	11,995
7	Gateway Cities Council of Governments	25	19,232	116,754
8	Lancaster-Palmdale Regional Housing Trust	2	6,130	28,895
9	Las Virgenes/Malibu Council of Governments	5	561	2,500
10	San Fernando Valley Council of Governments	1	734	2,105
11	San Gabriel Valley Council of Governments/San Gabriel Valley Regional Housing Trust	30	34,199	119,467
12	South Bay Cities Council of Governments	15	15,457	70,799
13	Westside Cities Council of Governments	4	9,621	30,540
TOTAL		89	340,295	1,166,722

**Subject to change once COG assignment is finalized.*

Table A3. below shows the housing need based on the share of low and very-low income (AMI<80%) households in each Eligible Jurisdiction using Table A2 estimates.

Table A3. Share of housing needs for LACAHSAs Measure A funding allocation by Eligible Jurisdiction

NO.	ELIGIBLE JURISDICTION	JURISDICTION COUNT	RHNA	CHAS
1	Unincorporated Los Angeles County	1	11.6%	6.6%
2	Burbank-Glendale-Pasadena Regional Housing Trust	2	2.5%	2.7%
3	City of Glendale	1	1.6%	2.6%
4	City of Long Beach	1	3.3%	5.7%
5	City of Los Angeles	1	54.3%	49.6%
6	City of Santa Clarita	1	1.5%	1.0%
7	Gateway Cities Council of Governments	25	5.7%	10.0%
8	Lancaster-Palmdale Regional Housing Trust	2	1.8%	2.5%
9	Las Virgenes/Malibu Council of Governments	5	0.2%	0.2%
10	San Fernando Valley Council of Governments	1	0.2%	0.2%
11	San Gabriel Valley Council of Governments/San Gabriel Valley Regional Housing Trust	30	10.0%	10.2%
12	South Bay Cities Council of Governments	15	4.5%	6.1%
13	Westside Cities Council of Governments	4	2.8%	2.6%
TOTAL		89	100%	100%

Appendix B. Acronym Index

ACRONYM	DESCRIPTION
AMI	Area Median Income
CDFI	Community Development Financial Institution
CHAS	Comprehensive Housing Affordability Strategy
COG	Council of Governments
CRA	Community Reinvestment Act
HCD	California Department of Housing and Community Development
HUD	U.S. Department of Housing and Urban Development
LACAHTA	Los Angeles County Affordable Housing Solutions Agency
LIHTC	Low-Income Housing Tax Credit
NOAH	Naturally Occurring Affordable Housing
PBV	Project-Based Voucher
PPO	Production, Preservation, & Ownership
PSH	Permanent Supportive Housing
QAP	Qualified Allocation Plan
RHNA	Regional Housing Needs Assessment
RPHP	Renter Protection & Homelessness Prevention
SB	Senate Bill
TA	Technical Assistance

Appendix C. Glossary

Area Median Income (AMI): represents the midpoint in the distribution of household incomes within a certain geographic region. HUD publishes annual AMI levels for regions, adjusted for family size. The HUD-provided AMI is used to determine applicants' eligibility for both federally and locally funded housing programs where participation is dependent on income levels. See 2025 AMI income limits [here](#).

California Debt Allocation Committee: Government entity created to set and allocate California's annual debt ceiling and administer the State's tax-exempt bond program to allocate the debt authority.

Community Development Block Grant (CDBG): The Community Development Block Grant program provides annual grants to participating state and local jurisdictions, called "non-entitlement" and "entitlement" communities respectively. At least 70% of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

Comprehensive Housing Affordability Strategy (CHAS) Data: Data from the U.S. Census Bureau that demonstrates the extent of housing problems and housing needs, particularly for low-income households. Data is typically used by local government to plan how to spend HUD funds. Data is also used by LACAHS to determine funding allocations.

California Tax Credit Allocation Committee: Government entity created to administer the federal and state Low-Income Housing Tax Credit Programs. Both programs were created to promote private investment in affordable rental housing for low-income Californians.

Deed-Restricted Units: Otherwise known as subsidized units or covenanted units, these homes may receive forms of government subsidy and typically have some form of covenant that restricts rent growth.

Equity: Equity is the portion of a property's value that a property owner and/or investor owns. It is determined by the difference between the market value of a property and the debt owed against it.

Extremely Low Income: Persons and families whose incomes do not exceed 30 percent of the area median income as defined in [Section 50106 of the California Health and Safety Code](#).

HOME Investment Partnership Program: HOME Investment Partnership (HOME) was authorized by the federal government in 1990. It is a federal block grant to participating jurisdictions, which then use the funds to provide affordable rental and homeownership housing to low- and moderate-income families. When HOME funds are used for rental activities, at least 90% of the units must be occupied by households with incomes at or below 60% of AMI, with the remaining 10% to be occupied by households with incomes at or below 80% of AMI. In rental properties with five or more HOME units, 20% of the units must be set aside for households with incomes at or below 50% of AMI. Depending on the amount of HOME subsidy per unit, HOME funding applies 5- to 20-year affordability restrictions on units.

Housing Choice Voucher (HCV): The Housing Choice Voucher (HCV) Program, also known as Section 8, is a federal program administered at the local level. These vouchers are Tenant-Based Vouchers, in which the voucher moves with the tenant, and the tenant is responsible for finding rental housing. Administered by HUD and managed at the local level by public affordable housing agencies (PHAs), it is the largest HUD rental assistance program.

Low Income: Persons and families whose incomes do not exceed 80 percent of the area median income as defined in [Section 50079.5 of the California Health and Safety Code](#).

Low-Income Housing Tax Credit (LIHTC): The Low-Income Housing Tax Credit Program is a federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. The LIHTC program distributes federal income tax credits to developers through state housing finance agencies, which are responsible for determining which projects receive tax credits under the state's allocation. There are two general types of credits that can be awarded. 9% credits are higher-value credits that cover a greater percentage of projects' development costs and are awarded on a competitive basis. 4% credits are lower-value credits that cover a lower percentage of projects' development costs and are generally awarded to any projects that meet specific programmatic requirements and are financially feasible. 4% credits are usually paired with tax-exempt bond financing to make up the difference.

Moderate Income: Persons and families whose incomes do not exceed 120 percent of the area median income as defined in [Section 50093 of the California Health and Safety Code](#).

Multifamily Housing: For the purposes of this document, multifamily housing is defined as a residential building consisting of more than two housing units.

Naturally Occurring Affordable Housing (NOAH): Naturally occurring affordable housing is defined as housing that is priced by market forces at rates that are affordable to low-income households. Housing is traditionally considered affordable if the total housing cost (rent or mortgage plus utilities) for the household represents no more than 30% of its income. NOAH often makes up a significant portion of a jurisdiction's affordable housing stock, in addition to publicly subsidized housing.

Non-Profit Equity Investment: A fund designed to cover a portion of the equity investment needed to acquire a building or site. It can work in place of or in addition to an Acquisition Strike Loan. The fund supports non-profit affordable housing developers who are limited in their ability to quickly raise equity and acquire larger portfolios of land or affordable buildings.

Notice of Funding Availability (NOFA) or Notice of Funding Opportunity (NOFO): A public notice of funding available, in this case, to support affordable housing.

Permanent Supportive Housing (PSH): Supportive housing is affordable housing that also includes support services designed to help tenants stay stably housed and build necessary life skills. Supportive housing can be designed either to be permanent or temporary for residents, with temporary housing targeted towards individuals who may be able to transition to traditional housing without support services over time. Supportive housing has been a successful tool to house populations that may be difficult to serve with traditional housing, such as chronically homeless adults.

Predevelopment /Acquisition Loan: Financial tool where capital is structured as low-cost debt that is available for costs associated with a project's acquisition and predevelopment for a short term (1 to 5 years). Predevelopment or acquisition funds allow affordable housing developers to compete with market-rate developers for preservation and development opportunities.

Preferred Equity: Preferred equity is prioritized before common equity in the cashflow distribution when the loan term ends or when the property is sold or refinanced. Preferred equity increases the chance for the equity holder to benefit from the project's income and earn more from property sales or refinancing than residual receipts loans. In exchange for reduced risk, preferred equity investors expect smaller returns.

Project Based Voucher (PBV): The Project-Based Section 8 Program, as it is now known, was established in 1974. HUD entered into Housing Assistance Payments (HAP) contracts with private owners to serve low-income tenants. Under these contracts, tenants pay 30% of their adjusted monthly income for rent and utilities and HUD pays the owner the difference between the tenant's payment and the agreed-upon contract rent. New residents of Project-Based Section 8 units can have incomes of no more than 80% of AMI, and 40% must have incomes below 30% of AMI.

Public Housing: Public housing is a type of affordable housing that has been traditionally owned by a local government agency or authority. In most places, this is a public housing authority. HUD provides federal aid to local housing authorities to operate housing for residents, who pay rents that they can afford. In the United States today, there are approximately 1.2 million households living in public housing units, managed by some 3,300 housing authorities (HUD).

Qualified Allocation Plan (QAP): Per federal requirements, every jurisdiction receiving tax credits must develop an annual Qualified Allocation Plan (QAP) to competitively allocate LIHTC across the jurisdiction. This includes geographic and income specific requirements. In the state of California, regulations set forth by the California Tax Credit Allocation Committee serve as the QAP.

Regional Housing Needs Allocation (RHNA): The RHNA process is the first two steps (Determination and Allocation) of a multi-step process that California governments utilize to plan for housing needs in each region of the state.

Rental Arrears: The amount of back rent a tenant owes a landlord.

Residual Receipts Loans: Financial tool where capital is structured as subordinate, soft-pay construction-to-permanent debt with below-market interest rates. Payments on the debt are made only if there is surplus project cash flow, with any unpaid interest deferred and accruing. The outstanding loan balance is due when the loan term ends or when the property is sold or refinanced. In most cases, residual receipts loans are underwritten with the expectation that the loan will not be fully repaid at maturity, rather extended, and resubordinated in exchange for continued affordability. Residual receipts loans are the most common existing tool for LIHTC gap financing currently.

Senior Debt (Construction or Permanent): Senior debt is the highest priority for repayment.

Social housing: Initiatives implemented by nonprofits or public agencies, ensuring a mission-driven approach to development and property management. A key component of social housing initiatives is the meaningful participation of residents in decision-making and governance, fostering a sense of agency and community. Where feasible and desirable, opportunities for resident homeownership are also encouraged to further empower tenants.

Soft Pay: Debt that is paid from a percentage of cash flow. While soft pay is typically due at maturity, it's often assumed that soft pay from public sources will extend or forgive at maturity.

Subordinate B-Note Loan: Financial tool where capital is structured as debt with a mandatory fixed monthly (hard-pay) payment, often with below-market interest rates and repayment secondary to senior debt. Debt service payments come from the project's residual income and can include both interest and principal payments. The outstanding loan balance is due when the loan term ends or when the property is sold or refinanced. For these loans, the loan-to-value ratio (LTV) is higher, meaning the loan amount is a larger percentage of the property's value. Most properties, especially deeply affordable ones, do not have sufficient residual income to cover payments, making hard-pay subordinate loans uncommon.

Subordinate Debt (B Note): Subordinate debt is the voluntary acceptance of a lower mortgage repayment priority by a debt and/or equity holder that they would otherwise be entitled to.

Underwriting: The process by which the financial risk of a deal is evaluated to determine before approving a loan or investment.

Very Low Income: Persons and families whose incomes do not exceed 50 percent of the area median income as defined in [Section 50105 of the California Health and Safety Code](#).

Appendix D. Financial Analysis Assumptions

LACAHSA developed prototypical pro formas modeling different financing tools and project types to assess how much public funding would be required across different variables such as:

- Senior debt
- Subordinate Debt and Gap Financing
- Rental Subsidy and Operating Reserve Deficit
- Affordability Mixes
- Development and Operating Cost Structures
- Annual Inflation Assumptions

Financial Product Terms Assumptions

The following table details the range of product terms tested within the feasibility modeling.

SENIOR DEBT	LACAHSA SENIOR PERM LOAN	LIGHT REHAB PRESERVATION LOAN
Max LTV	80%	95%
Interest Rate	SLGS + 0.50%	SLGS + 1.50%
Max Amortization	40 years	40 years plus initial 36-month I/O period
Term	15-40 years	15 years (including initial 3-year I/O period)
Minimum DSCR	1.15*	1.15*

*DSCR is 1.15 on senior must-pay debt and minimum of 1.05x on all permanent must-pay debt.

SUBORDINATE DEBT AND GAP FINANCING	LACAHSA SUBORDINATE B-NOTE	RESIDUAL RECEIPTS LOAN	MATCHING CAPITAL GRANT
Interest Rate	3.00%	3.00%	3.00%
IRR Return Target	N/A	N/A	N/A
Amortization	I/O	I/O	N/A
Term	40	55	55
Combined DSCR	N/A	1.15*	N/A
Combined LTV	N/A	95%	N/A
Payment Terms	Cash-flow contingent during term; Partial paydown at capital event	Residual Receipts Balloon or Forgiveness	RR and accrued interest is forgivable at maturity if affordability extended
Assumptions at maturity	Must be repaid	Assume extension or forgiveness	Assume extension or forgiveness

*DSCR is 1.15 on senior must-pay debt and minimum of 1.05x on all permanent must-pay debt.

Rental Subsidy and Operating Deficit Reserve

	RENTAL SUBSIDIES	OPERATING DEFICIT RESERVE
Description	Ongoing Project-Based Rental Subsidy	Second-Priority Deficit Reserve
AMI	30% AMI or Below	80% AMI or Below
Max Term	20	15

AMI	LIHTC NEW CONSTRUCTION	NON-LIHTC NEW CONSTRUCTION
30%	25%	10%
50%	25%	10%
80%	50%	80%
Weighted Average AMI	60%	72%

Operating Assumptions

ASSUMPTION	VALUE	NOTES
Operating Expenses	\$9,300 - \$12,400	Range dependent on the affordability level of the building.
Property Tax Rate	1.19%	Effective property tax rate ranges from 1.08% to 1.25%. <i>All prototypical pro formas assume a 100% CA Welfare Tax Exemption.</i>
Vacancy	5.00%	Per Agency Guideline.
Affordable Rents – Annual Increase	2.00%	Per Agency Guideline.
Rental Subsidy and Operating Deficit Reserve– Annual Increase	2.00%	Per Agency Guideline.
Operating Expense and Replacement Reserve – Annual Increase	3.00%	Per Agency Guideline.