

LA County Housing Innovation Fund II

Project Financing Terms

LIIF is an originating lender for the **LA County Housing Innovation Fund II (LACHIF)**, a \$60 million public-private partnership that provides low-cost predevelopment and acquisition financing to increase the availability of affordable and supportive housing in Los Angeles County and incorporated cities. The Fund includes \$20 million in seed funding from the Community Development Commission of the County of Los Angeles (“the Commission”).

Loan Amount	Maximum loan commitment amount is \$15,000,000 (incl. fees, interest, and acquisition costs), including up to \$750,000 for predevelopment as stand-alone or part of a larger loan
Eligible Uses	Acquisition of vacant land or existing facilities, carrying costs, construction costs, take-out financing, and predevelopment expenses
Development Parameters	All developments must be: - Located in Los Angeles County - Multifamily rental properties with all apartments restricted to households at 60% of Area Median Income (AMI) or below, unless otherwise approved by the Commission. 40% of funds are set aside for units serving households with incomes at or below 35% of AMI
Loan to Value	Up to 100% of the lesser of the as-is appraised value or the purchase price if Nonprofit Borrower ; up to 95% if For-Profit Borrower
Eligible Borrowers	Project Loan Borrowers can be nonprofit community-based organizations, for-profit corporations, cities within Los Angeles County, and joint ventures comprised of these entities, with a strong track record of developing affordable housing. Borrowers may be limited partnerships or limited liability companies if affiliated with the Project Sponsor
Interest Rate	Favorable rates; contact LIIF to discuss
Fees	Up to 1.5% Origination fee
Interest Payments	100% of the projected loan interest for the term of the loan will be capitalized at closing in an interest reserve. The Lender may consider, in its sole discretion, if an interest reserve for occupied properties is necessary and if the NOI from the property is sufficient to support the interest payments
Loan Term	Up to six (6) years, including extensions
Collateral	A deed of trust and assignments of rents. Other secured loans will be subject to subordination and standstill requirements. Predevelopment loans may be made on an unsecured basis in accordance with LIIF’s loan policies
Payment Guarantees	If the Borrower entity is a special-purpose, single asset entity, a full payment guaranty from the sponsor shall be required. In other instances, a payment guaranty may be required in accordance with LIIF’s loan policies
Covenants	Standard; all loans will include project milestones to be met with regard to architectural work, predevelopment work, filing plans, entitlements, TCAC applications, etc.
Development Plans	Required underwriting materials may include letters of interest from other funding sources, including market-rate and subsidized debt and equity providers
Zoning Requirements	Evidence that the project, as proposed, is permissible under applicable zoning regulations or a realistic proposed plan of action for making the project permissible under applicable zoning regulations. Borrower must submit a preliminary environmental form to confirm CEQA exemption. If any portion of a proposed development site is within 500 feet of a freeway, the project must be designed to exclude from this 500-foot freeway “buffer” area any portion of the residential building, play areas, community rooms, gardens, patios, and other areas where residents congregate
Third Party Reports	FIRREA-compliant as-is appraisal and Phase I environmental assessment; possible geotechnical survey, property condition report, plan and cost review for proposed scope of work if applicable

Contact:
 Eri Kameyama, Senior Loan Officer
 213-627-9769 | ekameyama@liifund.org
 www.liifund.org

415.772.9094 tel
 415.772.9095 fax
 www.liifund.org

San Francisco
 Los Angeles
 New York
 Washington, DC