



LACAHSAs CREDIT MEMO

For Funding Recommendations Under LACAHSAs’s Notice of Funding Availability

Date:	March 27, 2026	
Application No.:	26-01-088	
Project Name:	Yolanda Project	
Project Address(es) (Street Address, Zip Code, Census Tract):	18704 Sherman Way, 91335, 1310.24	
City:	Reseda	
Supervisory District:	3rd District of Los Angeles County	
LACAHSAs Zone:	Zone 1	
Jurisdiction:	City of Los Angeles	
Project Type(s):	New Construction	
Unit Count:	80	
Financing type:	LIHTC 4%	
Applicant / Developer:	New Economics for Women	
Co-Developer (if applicable):	N/A	
LACAHSAs Program(s) funding debt / capital:	PROGRAM TYPE	AWARDED AMOUNT
	Predevelopment Loan	\$ 1,000,000.00
	TOTAL	\$ 1,000,000.00

This report provides a full funding recommendation for the Yolanda Project project, a proposed New Construction development located at 18704 Sherman Way, 91335 in Reseda. Staff recommends a funding award of \$1,000,000 from the requested LACAHSAs Predevelopment Loan to support the predevelopment phase of a New Construction project of 80 units. The project will support 12 units restricted to extremely low-income households and 67 restricted to low-income households. This award will serve as the only predevelopment source for the project via LACAHSAs funds.

The project has a projected construction start date of August 31, 2028 and permanent conversion anticipated by September 29, 2030.



1. PROJECT DESCRIPTION

This project is a proposed New Construction of 80 units, located at 18704 Sherman Way, 91335 in Reseda.

Total number of units and unit mix:

The project will feature a total of 80 units, including 32 1-Bedroom units, 27 2-Bedroom units, 20 3-Bedroom units and 1 manager unit (2-Bedroom).

Affordability restrictions:

The development complies with the minimum affordability restrictions, with 15% of units restricted at or below 30% AMI, and 44% of units restricted at or below 50% AMI.

Key scope elements:

The scope includes the development of the Yolanda Project, an 80-unit multifamily affordable housing development with integrated on-site community-serving spaces and resident-focused programming. The strategy focuses on maintaining long-term affordability and housing stability through income restrictions, professional property management aligned with TCAC, HCD, and LACAHSa requirements, and the provision of ongoing supportive services that promote economic mobility, family stability, and resident well-being.

Site conditions and surrounding neighborhood context:

The site is a planned multifamily residential development located in an urban, historically underserved area of Reseda in the City of Los Angeles. The surrounding context includes proximity to the Sherman Way commercial corridor, which provides access to retail, grocery stores, schools, and neighborhood-serving services, as well as public transit routes connecting residents to broader employment centers across the San Fernando Valley and Los Angeles. The area is characterized by a mix of low- to mid-density residential uses and commercial activity, supporting walkability and access to daily needs.

Amenities or services offered:

On-site amenities will include a 1,500 square foot community center and an additional approximately 5,000 square feet of space dedicated to community-serving uses such as a Women's Business Center, Economic Mobility Hub, or similar programming that supports residents. Comprehensive supportive services, managed by New Economics for Women (NEW), will be provided, focusing on case management, youth and after-school programming, adult education, financial literacy, workforce development, health and wellness services, and skill-building activities designed to support low-income families and promote long-term stability and self-sufficiency.

2. BORROWER / OWNERSHIP STRUCTURE

Legal entity of the borrower:

The borrower is YOLANDA PROPERTY LLC, which is wholly owned by New Economics for Women, a 501(c)(3) Entity, located at 303 Loma Drive, Los Angeles, CA 90017.

General partner(s) and limited partner(s):

The borrower, YOLANDA PROPERTY LLC, will serve as the General Partner of the To be Formed Limited Partnership. New Economics for Women is the sole member of the General Partner. The limited partner is to be defined.



Ownership percentages:

New Economics for Women holds a 100% interest in YOLANDA PROPERTY LLC.

Staff has conducted a review of the financial statements and overall fiscal health of New Economics for Women. As of December 31, 2025, the borrower demonstrates adequate financial capacity, reporting a net worth of \$7,569,898 and liquid assets totaling \$677,669. The entity’s audited financial statements for the most recent fiscal years indicate stable operations. Additionally, New Economics for Women has a proven track record of managing 8 similar affordable housing assets.

Project meets the liquidity and net worth requirements (See “Financial Narrative” Appendix).

Any planned changes in ownership at closing:

At the initial financing and construction closing, the to-be-formed Yolanda Property Partnership, LP will serve as the project owner. A to-be-determined investor will hold a 99.99% ownership interest as the Limited Partner, while YOLANDA PROPERTY, LLC will act as the Managing General Partner with a 0.01% ownership interest.

3. PROJECT FINANCE SUMMARY

The total development cost (TDC) is estimated at \$69,433,428.

This project is at the predevelopment phase, sources are still not secured; however, primary sources anticipate Federal and State Low Income Housing Tax Credits and others that will include conventional and subordinate debt. LACAHS is requested to provide \$1,000,000 as a Predevelopment Loan.

SOURCES	TOTAL
LACAHS Predevelopment Loan	\$ 1,000,000.00

Key financial milestones:

The project development is projected to start on August 31, 2028. Completion of the project is expected for December 24, 2029. Permanent conversion is anticipated by September 29, 2030.

4. PERMANENT FUNDING SOURCES

SOURCES	TOTAL	% TOTAL
Federal Low Income Housing Tax Credits	\$ 18,891,324.15	27%
State Low Income Housing Tax Credits	\$ 10,964,811.00	16%
Subordinate Debt	\$ 7,142,226.00	10%
Conventional Debt	\$ 1,080,000.00	2%
Soft Loan as Subordinate Debt - 1	\$ 15,000,000.00	22%
Soft Loan as Subordinate Debt - 2	\$ 15,000,000.00	22%
Soft Loan as Subordinate Debt - 3	\$ 1,355,067.00	2%
TOTAL PERMANENT SOURCES	\$ 69,433,428.15	

5. CONSTRUCTION FUNDING SOURCES

SOURCES	TOTAL	% TOTAL
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Federal Low Income Housing Tax Credits	\$	3,778,265.00	5%
State Low Income Housing Tax Credits	\$	2,192,962.00	3%
Developer Equity	\$	100.00	0%
Conventional Debt	\$	24,131,496.00	35%
Subordinate Debt	\$	27,145,881.00	39%
Soft Loan as Subordinate Debt	\$	12,184,724.00	18%
TOTAL CONSTRUCTION SOURCES	\$	69,433,428.00	

6. USES OF FUNDS

USES	TOTAL	% TOTAL
Acquisition Related Costs	\$ 6,610,000.00	10%
Hard Construction Costs	\$ 51,453,427.00	74%
Construction Related Costs	\$ 3,425,000.00	5%
Construction Financing Costs	\$ 2,211,042.00	3%
Permanent Financing Costs	\$ 301,300.00	0%
Soft Costs	\$ 2,075,258.00	3%
Developer Fee	\$ 2,500,000.00	4%
Reserves	\$ 857,401.00	1%
TOTAL USES OF FUNDS	\$ 69,433,428.00	

7. INCOME RESTRICTED UNITS

AMI	STUDIO	1-BDR	2-BDR	3-BDR	4-BDR	TOTAL	TOTAL%
10%	-	-	-	-	-	-	0%
20%	-	-	-	-	-	-	0%
30%	-	5	4	3	-	12	15%
40%	-	-	-	-	-	-	0%
50%	-	14	12	9	-	35	44%
60%	-	13	11	8	-	32	41%
70%	-	-	-	-	-	-	0%
80%	-	-	-	-	-	-	0%
90%	-	-	-	-	-	-	0%
100%	-	-	-	-	-	-	0%
110%	-	-	-	-	-	-	0%
120%	-	-	-	-	-	-	0%
Not LIHTC Qual.	-	-	-	-	-	-	0%
TOTAL	-	32	27	20	-	79	

Total Restricted Units:	79
Affordability Period (years):	99
Target population:	Very low-income families with children.



8. PROJECT COST JUSTIFICATION

The Project’s Adjusted Total Development Cost (“ATDC”) is significantly lower than its peers. Pursuant to the standards described in Exhibit C of NOFA #1, the Project’s ATDC is \$69,433,428.00, or \$585.32/sq. ft., compared to \$828.34/sq. ft. for New Construction projects in this application pool. This ATDC falls in the 19% percentile of peer applicants, which we view as significantly lower than the median and ranks 20 out of the 102 New Construction projects competing for funding under NOFA #1.

9. COMPLIANCE WITH LACAHSa’S UNDERWRITING REQUIREMENTS

Meets all underwriting requirements, subject to LACAHSa’s review of additional and/or updated due diligence documentation.

10. PROJECT TIMELINE

Estimated start of construction / rehabilitation:	August 31, 2028
Expected completion (TCO):	December 24, 2029
Expected permanent conversion:	September 29, 2030

11. STAFF FUNDING RECOMMENDATION

Staff recommends full funding for the Yolanda Project, with a recommended award amount of \$1,000,000. This award will serve as the only source for the predevelopment of the project via LACAHSa funds.

All projects receiving funding under this NOFA must adhere to SB 679, Measure A, the Program Guidelines, the Annual Expenditure Plan, and any other policies and guidelines adopted by the Board. The funding amount is subject to modification based on LACAHSa’s review and approval of all required due diligence materials and the project’s continued compliance with program requirements. Any outstanding compliance and/or underwriting issues must be resolved to LACAHSa’s satisfaction prior to proceeding to subsequent phases of financing or closing.

The approval is subject to several key conditions. These conditions include but are not limited to the following:

- Review and approval of an appraisal commissioned by LACAHSa.
- Review and approval of all required environmental reports.
- Provision and approval of a current ALTA survey.
- Provision of a preliminary title report dated within 90 days of closing, evidencing clean and insurable title acceptable to LACAHSa.
- Review of updated financial information evidencing no material adverse change in financial wherewithal.
- Issuance of an acceptable title policy.
- Negotiation and execution of a LACAHSa regulatory agreement.
- Execution and delivery of all legal documents in form and substance satisfactory to LACAHSa.

12. APPENDICES

- Proforma



- Site map and photos
- Parcel map and architectural drawings
- Scoring letter to the applicant
- Financial Narrative

Prepared by:	Luis Guerra & Eleanor Atkins
Consulting Firm:	CTY Housing
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Los Angeles County Affordable Housing Solutions Agency
Financing Application
Combined Proforma

Direct Inputs for Applicant
Automatically Calculated
Link to Information Elsewhere in Application
LACAHS Inputs
Automatically Generated / Not Applicable

ew Economics for Women
Yolanda Project
Predevelopment
80 Units

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Residential	\$1,485,036	\$1,514,737	\$1,545,031	\$1,575,932	\$1,607,451	\$1,639,600	\$1,672,392	\$1,705,840	\$1,739,956	\$1,774,755	\$1,810,251	\$1,846,456	\$1,883,385	\$1,921,052	\$1,959,473	\$1,998,663	\$2,038,636	\$2,079,409	\$2,120,997	\$2,163,417
Commercial	\$150,000	\$153,000	\$156,060	\$159,181	\$162,365	\$165,612	\$168,924	\$172,303	\$175,749	\$179,264	\$182,849	\$186,506	\$190,236	\$194,041	\$197,922	\$201,880	\$205,918	\$210,036	\$214,237	\$218,522
Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office	\$150,000	\$153,000	\$156,060	\$159,181	\$162,365	\$165,612	\$168,924	\$172,303	\$175,749	\$179,264	\$182,849	\$186,506	\$190,236	\$194,041	\$197,922	\$201,880	\$205,918	\$210,036	\$214,237	\$218,522
Hotel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy	-\$89,250	-\$92,235	-\$95,400	-\$98,760	-\$102,332	-\$106,136	-\$110,191	-\$114,521	-\$119,150	-\$124,105	-\$129,417	-\$135,118	-\$141,244	-\$147,835	-\$154,934	-\$162,590	-\$170,854	-\$179,785	-\$189,446	-\$199,907
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$1,545,786	\$1,575,501	\$1,605,691	\$1,636,353	\$1,667,483	\$1,699,076	\$1,731,125	\$1,763,621	\$1,796,555	\$1,829,914	\$1,863,683	\$1,897,844	\$1,932,377	\$1,967,259	\$2,002,461	\$2,037,953	\$2,073,700	\$2,109,660	\$2,145,788	\$2,182,031

EXPENSES	743,852	766,163	789,142	812,811	837,190	862,301	888,164	914,804	942,242	970,503	999,612	1,029,595	1,060,476	1,092,284	1,125,046	1,158,791	1,193,548	1,229,348	1,266,221	1,304,201
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NET OPERATING INCOME	801,934	809,339	816,549	823,542	830,293	836,775	842,961	848,818	854,313	859,411	864,070	868,249	871,901	874,974	877,415	879,162	880,152	880,312	879,566	877,831
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DEBT SERVICE AND FEES	Principal	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Senior Permanent Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Lender3	\$7,142,226	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$0	\$0
Lender4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender5	\$1,080,000	\$12,263	\$12,263	\$12,263	\$12,263	\$12,263	\$12,263	\$12,263	\$12,263	\$12,263	\$12,263	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)		\$568,155	\$568,155	\$568,155	\$568,155	\$568,155	\$568,155	\$568,155	\$568,155	\$568,155	\$568,155	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$555,892	\$0	\$0

Cash Flow (after Must Pay Debt)	\$233,778	\$241,184	\$248,394	\$255,387	\$262,137	\$268,620	\$274,805	\$280,663	\$286,158	\$291,256	\$308,178	\$312,357	\$316,009	\$319,082	\$321,523	\$323,270	\$324,259	\$324,420	\$879,566	\$877,831
Debt Service Coverage Ratio	1.41	1.42	1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51	1.55	1.56	1.57	1.57	1.58	1.58	1.58	1.58	-	-

Asset Management Fees	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
LP Fee	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535
GP Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768
Deferred Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689	\$23,370	\$24,071	\$24,793	\$25,536	\$26,303
Remaining Cash Flow (after Fees)	\$218,778	\$225,734	\$232,480	\$238,996	\$245,255	\$251,231	\$256,894	\$262,214	\$267,157	\$271,684	\$288,020	\$291,594	\$294,622	\$297,054	\$298,834	\$299,901	\$300,189	\$299,627	\$854,030	\$851,528

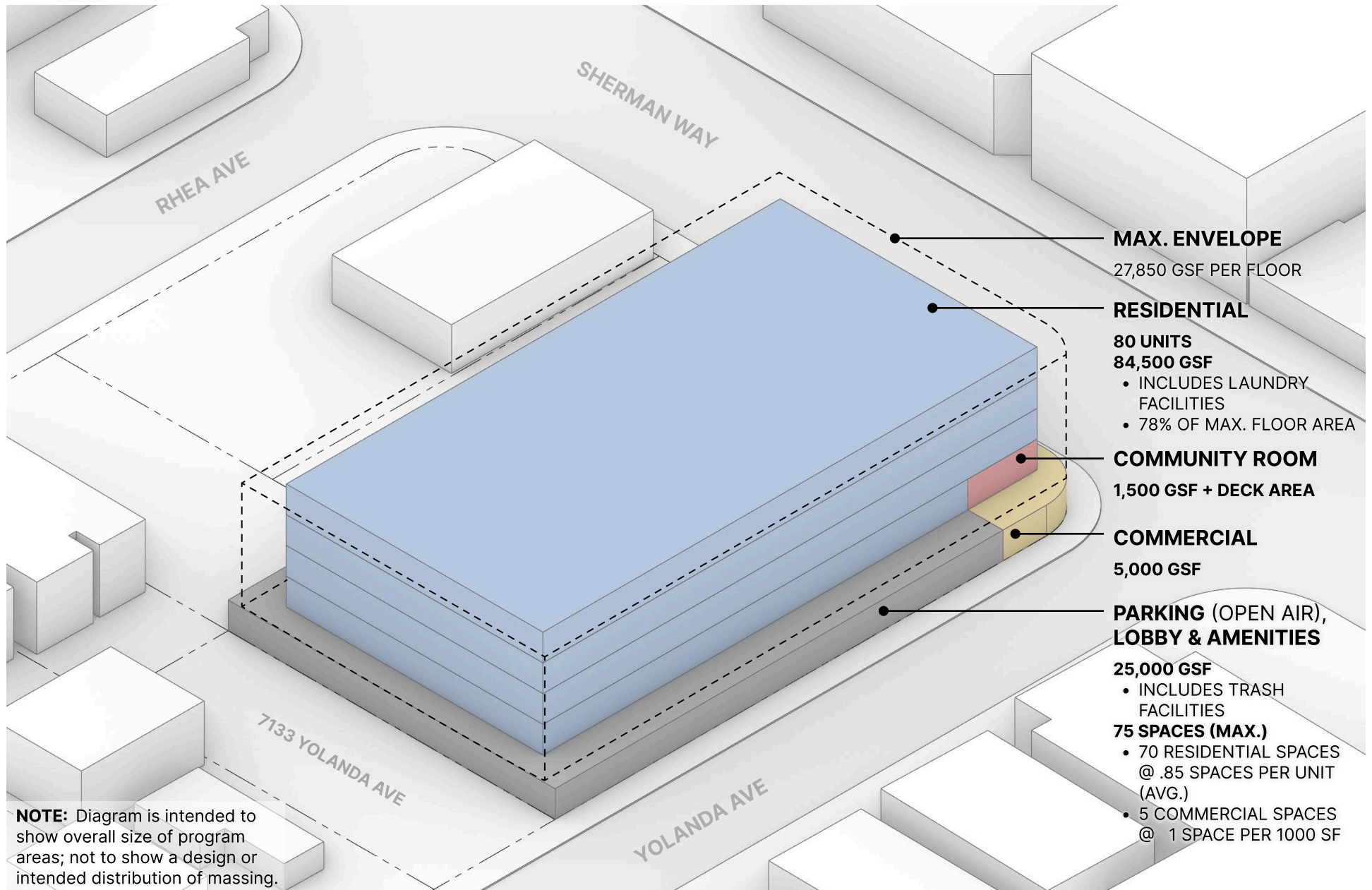
Cash Flow Payments	Split	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Subordinate B-Note	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residual Receipts Loan	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Light Rehab Preservation Loan	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other 1	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other 2	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other 3	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Matching Capital Grant	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sponsor/Related Party Loan	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 3	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 4	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 5	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 6	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 7	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 8	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 9	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Equity	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 3	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Loan 4	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Cash Flow (after Soft Debt)		\$218,778	\$225,734	\$232,480	\$238,996	\$245,255	\$251,231	\$256,894	\$262,214	\$267,157	\$271,684	\$288,020	\$291,594	\$294,622	\$297,054	\$298,834	\$299,901	\$300,189	\$299,627	\$854,030	\$851,528

Cash Flow to Developer	\$3,721,792	\$218,778	\$225,734	\$232,480	\$238,996	\$245,255	\$251,231	\$256,894	\$262,214	\$267,157	\$271,684	\$288,020	\$291,594	\$294,622	\$297,054	\$298,834	\$299,901	\$300,189	\$299,627	\$854,030	\$851,528
Retained Cash Flow Percentage		94%	94%	94%	94%	94%	94%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	92%	97%	97%

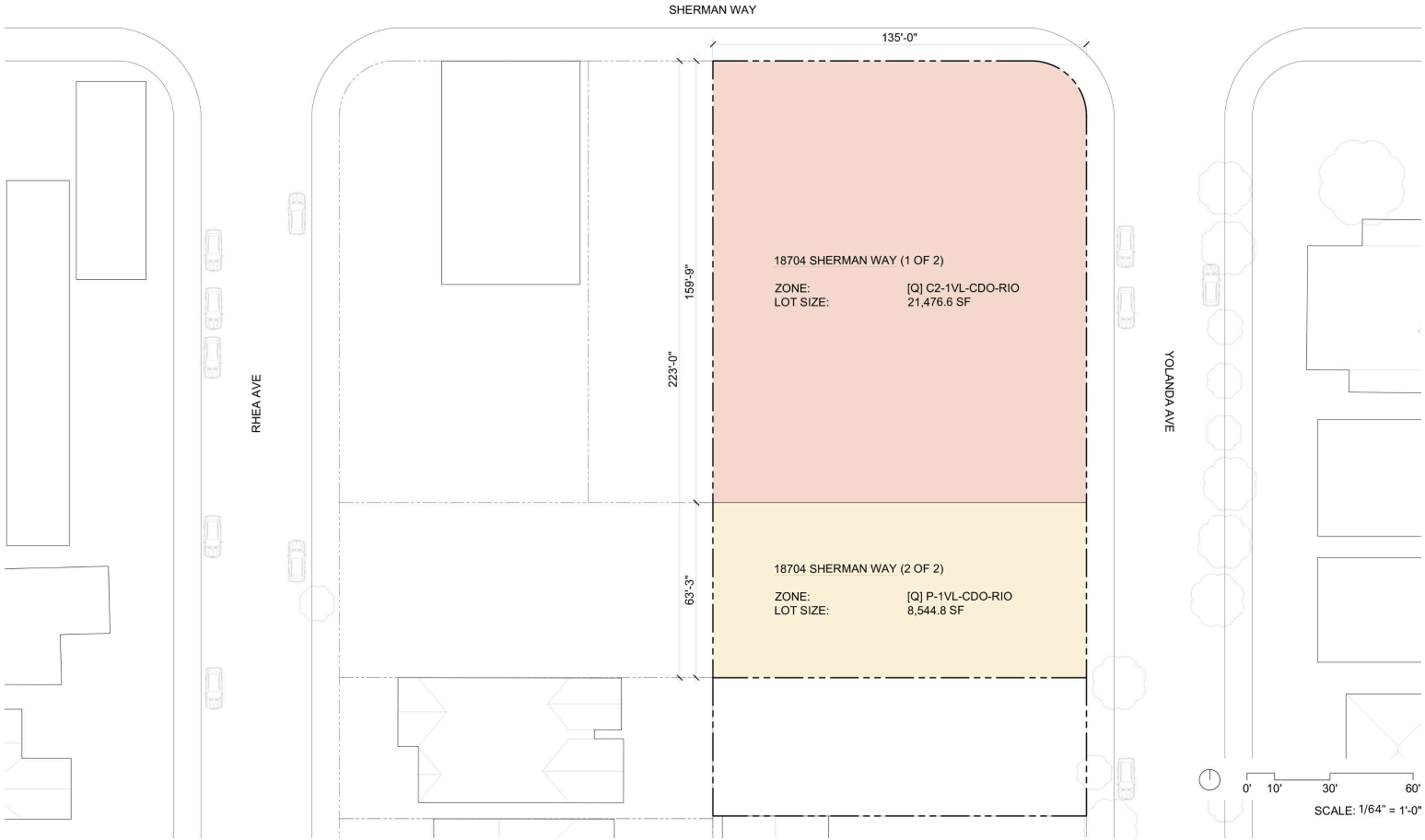
Aerial



Test Fit

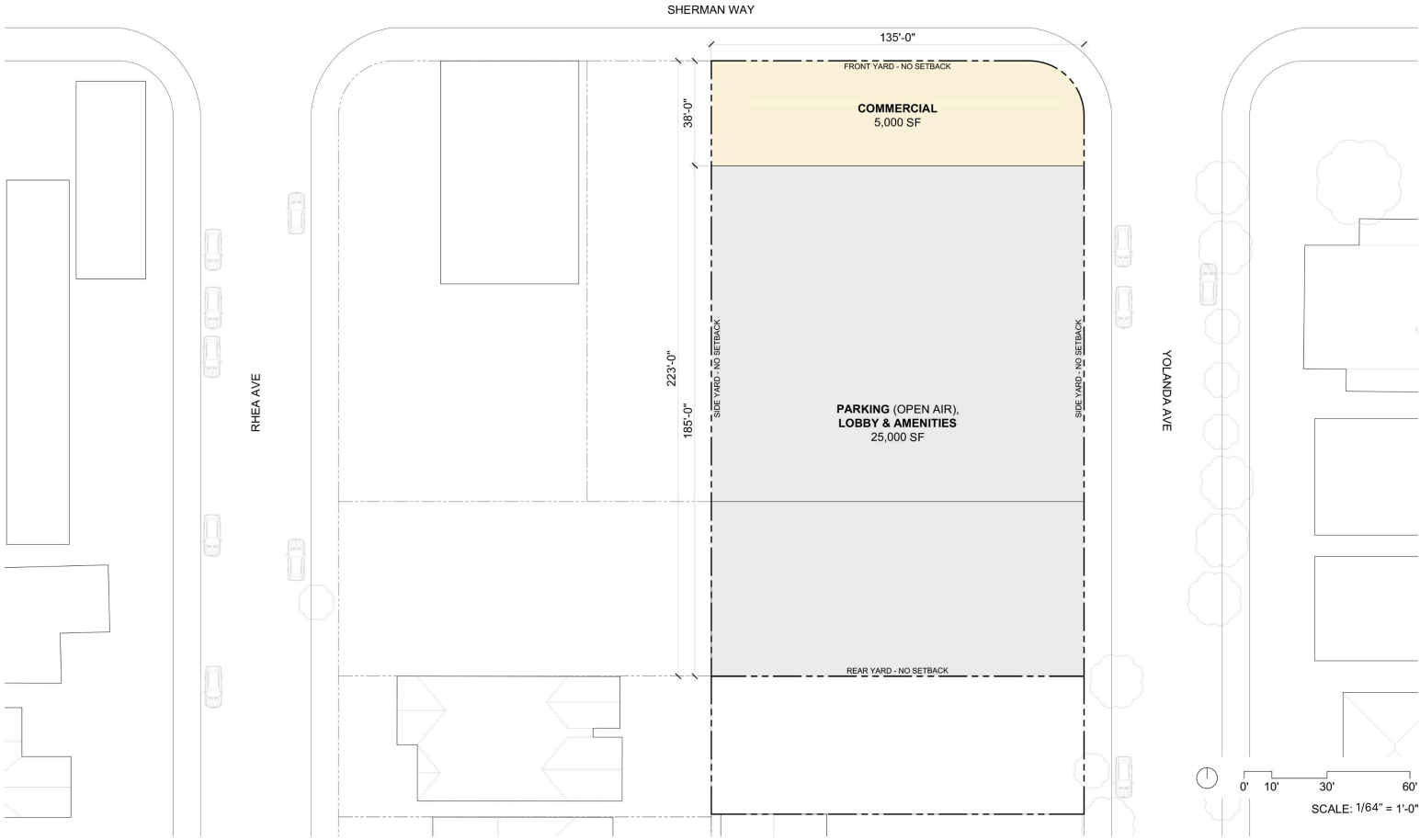


Site Plan - Existing Zoning



SITE PLAN
BASE ZONING

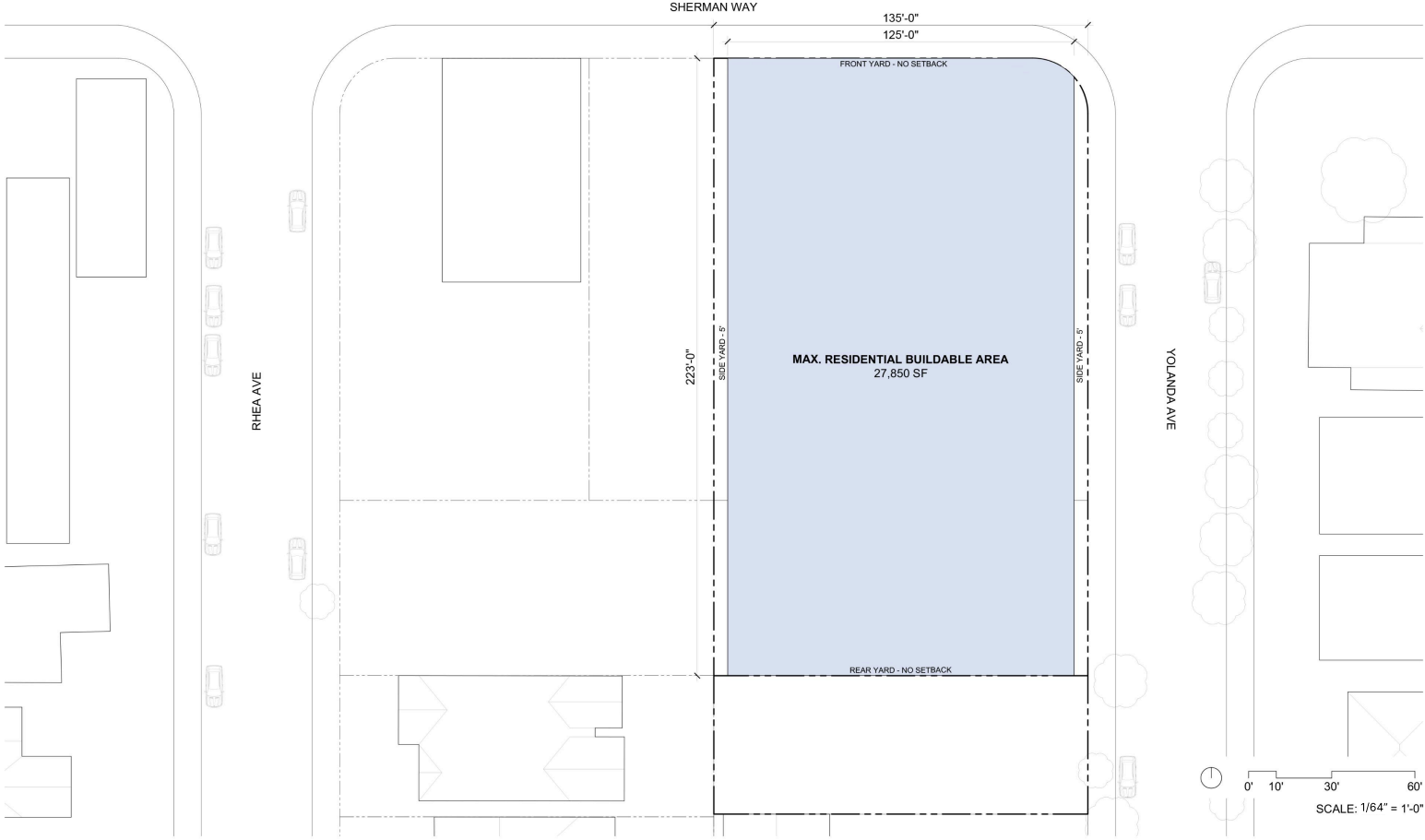
Site Plan - Proposed Ground Level



SITE PLAN
PROPOSED

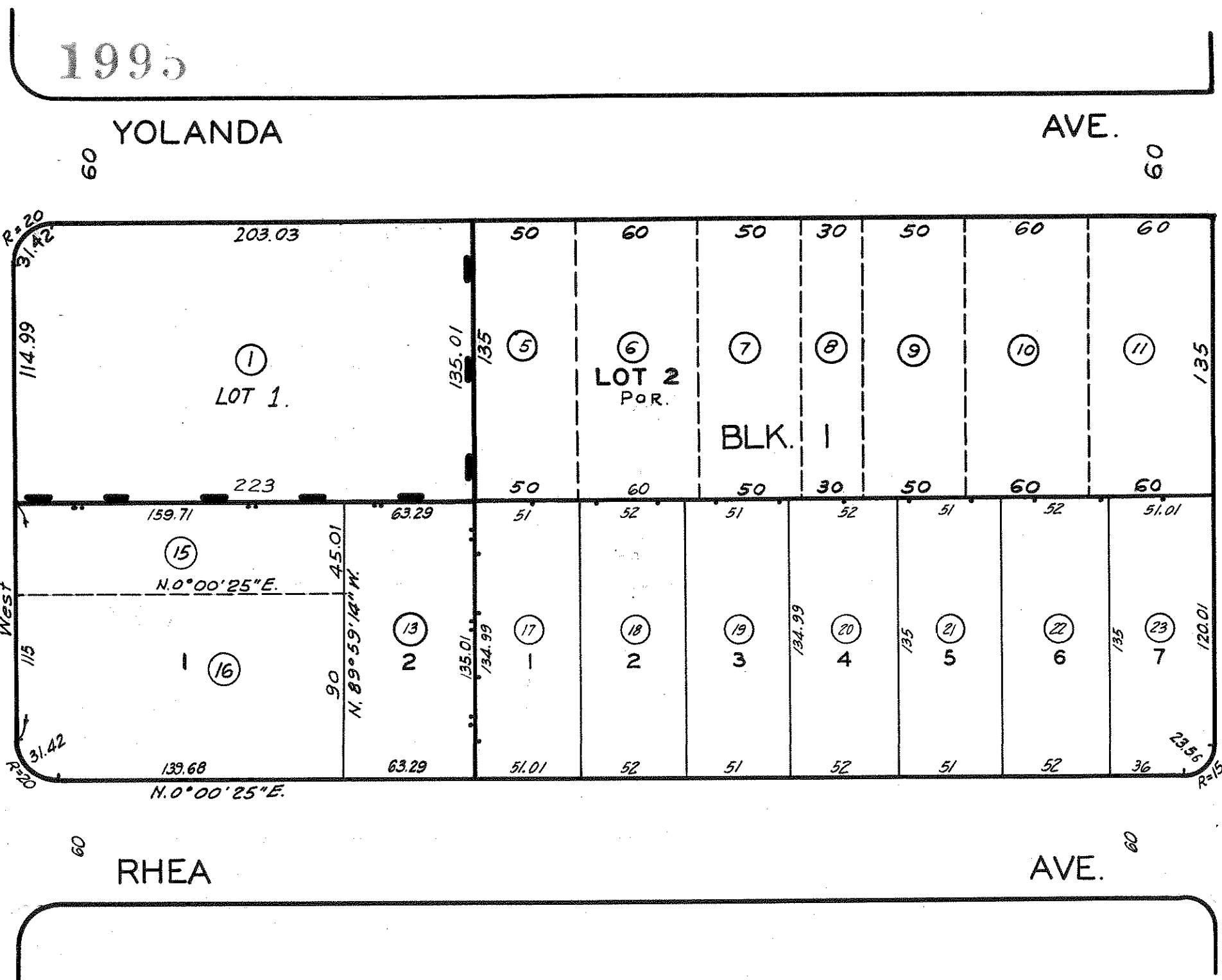
Site Plan - Proposed

Ground Level



SITE PLAN
PROPOSED

1-30-65 Revised
10-15-59
8-22-60
1-31-61
761014604
950208



1995

YOLANDA AVE.

AVE.

WAY

ST.

SHERMAN

GAULT

RHEA

AVE.



TRACT NO. 15509
M. B. 647-22-23

CODE 8852

TRACT NO. 5236
M. B. 64-75-76

TRACT NO. 19251
M. B. 591-95

TRACT NO. 27487
M. B. 868-87-88

FOR PREV. ASSMT. SEE: 1764-4



March 27, 2026

Leticia Andueza
Chief Executive Officer
New Economics for Women
303 Loma Drive, Los Angeles, CA 90017

RE: 26-01-088 - LACAHSAs NOFA for Affordable Housing Production and Preservation: Preliminary Scoring

Dear Leticia Andueza,

This letter serves as a formal notification regarding the preliminary scoring of your application submitted under the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs) Notice of Funding Availability #1 Affordable Housing Production and Preservation (NOFA) released on 12/16/25.

Your application has successfully undergone a complete technical review, including the assessment of all scoring components, possible negative points, bonus points, and any points tied to the LACAHSAs Unit Cost benchmarks of all applications received under this NOFA. The preliminary score for each Financing Product you selected (and met threshold requirements) is set forth below (Preliminary Scoring breakdown included in Attachment 1):

Project Name	Financing Product	Scoring
Yolanda Project	Predevelopment Loan	60.0

You may submit an objection to LACAHSAs’s preliminary scoring. Any objection must be in writing and submitted to info@lakahsa.gov before April 03, 2026, 5:00 PM PST. Objections must state the basis for any error, inconsistency, or other flaws in the scoring and contain a sufficient description of the manner in which the preliminary scoring is not correct. Objections must be toward the actual scoring and not the criteria or methodology utilized.

LACAHSAs will endeavor to select the highest scoring applications within each Zone for each Financing Product. A credit memo recommending projects for funding will be presented to the Investment Review Committee (IRC) on April 01, 2026. The IRC’s action will be a recommendation to the Board. Final awarded projects will be reviewed and approved at the Board Approval meeting on April 15, 2026. Scoring is not a guarantee that a project will or will not receive funding. The final decision to select and fund projects is within the sole and absolute discretion of the Board, and the Board may select projects without strict adherence to the scoring.

Sincerely,

Claudia Lima
Managing Director, Strategic Initiatives
Los Angeles County Affordable Housing Solutions Agency (LACAHSAs)

APPENDIX: PRELIMINARY SCORING

PREDEVELOPMENT LOAN PRELIMINARY SCORING				
Section	Item	Benchmark	Maximum Points	Final Score
B. Eligibility	1. Projects	Add 5 points for Substantial Rehabilitation.	5	0
	2. Owners	Add 20 points for projects 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible).	20	0
E. Affordability Requirements	1. Affordability Restrictions	Add 1 point for every 2.5% by which existing weighted average rents are below the applicable weighted-average HUD Fair Market Rents, up to 20 points.	20	20
		Add 15 points for a 99-year affordability election.	15	15
F. Credit Risk Standards	1a. Sponsor Experience/Track Record	Add 1 point per year of development experience in Los Angeles County, up to a maximum of 15 points.	15	15
		Add 1 point for each completed projects in Los Angeles County in the past 15 years, up to a maximum of 10 points.	10	10
		Deduct -5 points for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -15 points.	0	0
		Deduct -5 points for each portfolio project with DSCR below 1.0x, up to -15 points.	0	-15
	1b. Sponsor Financial Strength	Add 5 points for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for 501(c)(3) entities.	5	5
		Add 10 points for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for 501(c)(3) entities.	10	10
SUBTOTAL SCORE			100	60
BONUS POINTS			5	0
TOTAL SCORE			105	60

**New Economics for Women and
New Economics for Women and Affiliates
Financial Narrative (2022 through 2025)**

Introduction

This analysis reviews the financial condition of New Economics for Women (“NEW”), a nonprofit affordable housing developer and community-based organization, based on audited financial statements for the fiscal years ending June 30, 2022, June 30, 2023, and June 30, 2024, as well as unaudited internal financial statements for the period ending June 30, 2025 and December 31, 2025. NEW is a mission-driven organization focused on the development and preservation of affordable housing, along with the provision of supportive services aimed at empowering low-income communities, including women and families experiencing housing instability.

NEW operates through a complex organizational structure that includes affiliated entities, partnerships, and project-level ownership interests associated with its affordable housing portfolio. As a result, the audited financial statements reflect the consolidated financial activity of the organization together with affiliated project entities under common control. These consolidated financials include real estate assets, developments, and related project-level debt financing, which are characteristic of nonprofit affordable housing developers and significantly influence the organization’s reported financial position and operating results.

The audited financial statements for fiscal years 2022 through 2024 were prepared in accordance with generally accepted accounting principles in the United States. The 2022 and 2023 audited financial statements received unqualified audit opinions, indicating that the financial statements present fairly, in all material respects, the financial position and results of operations of the organization. The 2024 audited financial statements also received an unqualified audit opinion; however, they include an emphasis of matter related to going concern, reflecting substantial doubt about the organization’s ability to continue as a going concern due to recurring operating losses, liquidity constraints, and significant debt obligations.

The unaudited financial statements for the periods ending June 30, 2025, and December 31, 2025 reflect the financial position of the parent entity only and are not directly comparable to prior audited consolidated financial statements. The audited financials include the activity of affiliated partnerships and project-level entities, while the 2025 unaudited financials exclude these entities. As a result, differences in total assets, liabilities, and net assets between periods, particularly the transition from 2024 to 2025, are driven primarily by changes in reporting scope rather than solely by

operating performance. Accordingly, trends between audited and unaudited periods should be interpreted with caution, as the apparent improvement in financial position in 2025 may reflect structural and reporting differences rather than a full recovery in underlying operations.

BALANCE SHEET

Balance Sheet	Audited	% of	Audited	% of	Audited	% of	Unaudited	% of	Unaudited	% of
	Consolidated 6/30/2022	Assets	Consolidated 6/30/2023	Assets	Consolidated 6/30/2024	Assets	Unconsolidated 6/30/2025	Assets	Unconsolidated 12/31/2025	Assets
Cash & cash equivalents	\$ 4,066,967	8%	\$ 3,411,435	6%	\$ 1,271,287	2%	\$ 486,527	1%	\$ 677,669	2%
Other Current Assets	\$ 10,461,122	20%	\$ 12,338,814	21%	\$ 2,766,416	3%	\$ 9,136,797	20%	\$ 10,333,505	35%
Long-Term Assets	\$ 37,697,177	72%	\$ 43,879,833	74%	\$ 76,426,297	95%	\$ 35,268,777	79%	\$ 18,150,718	62%
Total Assets	\$ 52,225,266	100%	\$ 59,630,082	100%	\$ 80,464,000	100%	\$ 44,892,101	100%	\$ 29,161,892	100%
Current Liabilities	\$ 3,970,400	11%	\$ 3,354,169	8%	\$ 14,597,923	10%	\$ 1,175,786	3%	\$ 1,660,354	8%
Long-Term Liabilities	\$ 31,333,575	89%	\$ 41,186,494	92%	\$ 126,376,686	90%	\$ 33,517,735	97%	\$ 19,931,639	92%
Total Liabilities	\$ 35,303,975	100%	\$ 44,540,663	100%	\$ 140,974,609	100%	\$ 34,693,521	100%	\$ 21,591,993	100%
Net Assets with Donor Restrictions	\$ 5,300,166	31%	\$ 2,547,765	17%	\$ 1,606,632	-3%	\$ -	0%	\$ -	0%
Other Net Assets	\$ 11,621,125	69%	\$ 12,541,654	83%	\$ (62,117,241)	103%	\$ 10,198,579	100%	\$ 7,569,897	100%
Total Net Assets	\$ 16,921,291	100%	\$ 15,089,419	100%	\$ (60,510,609)	100%	\$ 10,198,579	100%	\$ 7,569,897	100%

Financial Condition and Trends

NEW has experienced relatively stable performance through 2023, but experienced a large decrease in net assets in 2024 due to a prior period adjustment recognized in 2024.

Total assets increased from approximately \$52.2 million in 2022 to \$80.5 million in 2024, driven primarily by growth in long-term assets, which expanded to approximately 95% of total assets in 2024. This increase is largely attributable to a substantial rise in property and equipment and other project-related assets, reflecting ongoing development activity and the consolidation of affiliated entities. In contrast, current assets declined sharply as a percentage of total assets, decreasing from approximately \$14.5 million, or 28% in 2022 to \$4.0 million or 5% in 2024, indicating reduced liquidity and limited availability of short-term resources. during a period of expansion and increased leverage.

Total liabilities increased significantly from \$35.3 million in 2022 to \$141.0 million in 2024, reflecting substantial increases in notes payable and accrued interest associated with project-level financing. Long-term liabilities represent the majority of the capital structure across all periods, accounting for approximately 89% to 92% of total liabilities.

The growth in liabilities significantly outpaced asset growth in 2024, resulting in a highly leveraged balance sheet and increased financial risk.

As a result of these trends, net assets declined from \$16.9 million in 2022 to \$15.1 million in 2023, before declining significantly to a deficit of \$(60.5) million in 2024. This negative net asset position reflects both operating losses and significant non-operating adjustments, including a prior period adjustment recognized in 2024. At year-end 2024, liabilities exceeded assets, indicating a period of financial distress and balance sheet insolvency.

The unaudited financial statements as of June 30, 2025, and December 31, 2025 reflect parent-entity level financials only, and report total assets of approximately \$44.9 million and \$29.2 million, respectively, and net assets of approximately \$10.2 million and \$7.6 million, respectively. The change when compared to audited 2024 consolidated financial statements is primarily attributable to a difference in reporting scope, as the 2025 unaudited financials are presented on an unconsolidated (parent-only) basis and exclude affiliated partnerships and project-level entities that were included in the audited consolidated financial statements.

These excluded entities account for a substantial portion of both total assets and liabilities—particularly project-level real estate assets and related debt obligations. As a result, the apparent improvement in net assets between 2024 and 2025 does not reflect a direct recovery in financial performance, but rather the removal of consolidated partnership-level liabilities and assets from the reporting entity. Accordingly, the 2025 unaudited financials are not directly comparable to prior audited periods and should be interpreted as representing the financial position of the sponsor entity only, rather than the full consolidated organization.

Liquidity, Leverage, and Long-Term Sustainability

Liquidity weakened considerably through 2024, as current assets declined both in absolute terms and as a percentage of total assets, while current liabilities increased significantly. The current ratio declined from 3.66x in 2022 and 4.70x in 2023 to 0.28x in 2024, indicating that short-term obligations substantially exceeded available short-term resources. Similarly, the acid test ratio decreased to 0.09x in 2024, reflecting limited availability of liquid assets. Cash balances declined materially from \$4.1 million in 2022 to \$1.3 million in 2024, further constraining near-term financial flexibility. Days cash on hand also declined from 128 days in 2022 to 19 days in 2024, further evidencing a weakened liquidity position.

Leverage increased significantly over the review period, driven by substantial growth in long-term liabilities, particularly notes payable and accrued interest. Total liabilities increased to \$141.0 million in 2024, with long-term liabilities representing approximately

90% of total liabilities. The increase in liabilities outpaced asset growth, resulting in a highly leveraged capital structure and increased exposure to interest rate and refinancing risk.

As a result of these trends, NEW reported a net asset deficit of \$(60.5) million in 2024, indicating that total liabilities exceeded total assets. As provided in Note 21 of the 2024 audited financial statements, the change to net assets is related to the consolidation requirement which was an oversight by NEW's accounting prior team in prior years. Their new auditors made the correction in the FY23-24 consolidated financial statements (Accounting Standards (ASC 810), which establishes the requirement for consolidation of the nine Limited Partnerships. Although NEW holds only a minority ownership interest (ranging from 0.005% to 1%), the limited partners do not possess substantive kick-out rights, and as a result, the General Partner is required to consolidate these entities to comply with generally accepted accounting principles. The correction is for the prior period (FY22-23) which only affected the Net Assets.

The unaudited financial statements as of June 30, 2025, and December 31, 2025, indicate improved liquidity and reduced leverage at the parent entity level. The current ratio reported is approximately 8.18x as of June 30, 2025, and 6.63x as of December 31, 2025. Net assets reported are approximately \$10.2 million and \$7.6 million, respectively. However, these improvements are primarily driven by a change in reporting scope, as the 2025 financials are presented on an unconsolidated (parent-only) basis and exclude affiliated partnerships and project-level liabilities that were included in prior audited consolidated periods.

As a result, the parent-level financials reflect a narrower portion of the organization's obligations and do not fully capture the leverage and liquidity constraints present at the consolidated level. While liquidity metrics and leverage ratios appear significantly stronger in 2025, these improvements are largely attributable to the exclusion of project-level debt rather than a fundamental change in the organization's underlying financial condition.

Overall, NEW's balance sheet reflects elevated leverage, constrained liquidity at the consolidated level, and continued reliance on debt financing to support development activities. While the organization has demonstrated the ability to access capital and maintain operations, the structural changes caused by the restatement in net assets present ongoing challenges of long-term financial sustainability.

STATEMENT OF ACTIVITIES / INCOME STATEMENT

Statement of Activities	Audited		% of Revenues		Audited		% of Revenues		Audited		% of Revenues		Unaudited		% of Revenues		Annualized		% of Revenues		
	Consolidated 6/30/2022		Consolidated 6/30/2023		Consolidated 6/30/2024		Unconsolidated 6/30/2025		Unconsolidated 12/31/2025												
Income																					
Contracts and grants	\$ 10,769,111	70%	\$ 6,739,364	57%	\$ 10,419,399	49%	\$ 8,892,071	75%	\$ 8,380,388	78%											
Rental Income	\$ 555,270	4%	\$ 702,763	6%	\$ 7,257,007	34%	\$ 421,659	4%	\$ 582,700	5%											
General support	\$ 1,250,759	8%	\$ 1,140,816	10%	\$ 1,689,402	8%	\$ 1,026,803	9%	\$ 1,413,416	13%											
Other Income	\$ 2,707,780	18%	\$ 3,239,112	27%	\$ 1,817,093	9%	\$ 1,563,259	13%	\$ 383,718	4%											
Total Income	\$ 15,282,920	100%	\$ 11,822,055	100%	\$ 21,182,901	100%	\$ 11,903,792	100%	\$ 10,760,222	100%											
Expenses																					
Salaries	\$ 6,242,820	53%	\$ 6,907,091	47%	\$ 8,821,397	33%	\$ 5,538,221	52%	\$ 5,440,052	52%											
General and admin	\$ 2,918,444	25%	\$ 4,200,893	28%	\$ 3,552,702	13%	\$ 1,641,721	15%	\$ 2,742,128	26%											
Payroll Taxes and employee benefits	\$ 1,051,176	9%	\$ 1,172,183	8%	\$ 1,549,522	6%	\$ 1,105,779	10%	\$ 906,488	9%											
Other Expenses	\$ 1,656,223	14%	\$ 2,511,172	17%	\$ 13,141,067	49%	\$ 2,330,693	22%	\$ 1,339,494	13%											
Total Expenses	\$ 11,868,663	100%	\$ 14,791,339	100%	\$ 27,064,688	100%	\$ 10,616,414	100%	\$ 10,428,162	100%											
Change in Net Assets (Operating Activities)	\$ 3,414,257	22%	\$ (2,969,284)	-25%	\$ (5,881,787)	-28%	\$ 1,287,378	11%	\$ 332,060	3%											
Employee retention credit	\$ 353,545	2%	\$ 1,137,412	10%	\$ -	0%	\$ -	0%	\$ -	0%											
Interest Income	\$ -	0%	\$ -	0%	\$ -	0%	\$ 82,980	1%	\$ -	0%											
Depreciation expense	\$ -	0%	\$ -	0%	\$ -	0%	\$ (138,696)	-1%	\$ -	0%											
Interest expense	\$ -	0%	\$ -	0%	\$ -	0%	\$ (374,951)	-3%	\$ -	0%											
Change in Net Assets (Restricted Income/Expenses)	\$ -	0%	\$ -	0%	\$ (69,718,241)	-329%	\$ -	0%	\$ -	0%											
Total Change in Net Assets	\$ 3,767,802	25%	\$ (1,831,872)	-15%	\$ (75,600,028)	-357%	\$ 856,711	7%	\$ 332,060	3%											

NEW's operating performance reflects increasing volatility over the review period, with a significant deterioration in fiscal year 2024 followed by an apparent improvement in 2025 that is primarily attributable to changes in reporting scope.

Total revenue declined from approximately \$15.3 million in 2022 to \$11.8 million in 2023, before increasing to \$21.2 million in 2024. The increase in 2024 was driven primarily by higher rental income and contracts and grants. Contracts and grants remain the primary revenue source, representing approximately 49% to 70% of total revenues across the audited periods, providing a recurring funding base typical of nonprofit organizations.

Despite revenue growth in 2024, operating performance weakened. Total expenses increased significantly from \$11.9 million in 2022 to \$14.8 million in 2023 to \$27.1 million in 2024, driven by higher salaries, professional fees, interest expense, and depreciation. As a result, NEW reported \$3.4 million in 2022 and operating losses of approximately \$(3.0) million in 2023 and \$(5.9) million in 2024, indicating that core operations were not generating sufficient income to cover expenses.

A key driver of the significant deterioration in financial position in 2024 was a prior period adjustment of approximately \$(69.7) million, as reflected in the statement of

activities. This adjustment is associated with changes in consolidation and the inclusion of partnership-level activity and balances that were not previously reflected in prior periods. As a result, total change in net assets declined to approximately \$(75.6) million in 2024, resulting in a year-end net asset deficit of approximately \$(60.5) million.

This adjustment materially impacts comparability across periods and is the primary reason for the sharp decline in net assets in 2024, rather than solely operating performance.

The unaudited financial statements for the periods ending June 30, 2025, and December 31, 2025, reflect a return to positive changes in net assets of approximately \$0.9 million and \$0.3 million, respectively. However, these periods are presented on an unconsolidated (parent-only) basis and therefore exclude affiliated partnerships and project-level entities included in the audited consolidated financial statements.

As a result, the apparent improvement in net assets in 2025, from a deficit of \$(60.5) million in 2024 to positive net assets of approximately \$10.2 million (June 2025) and \$7.6 million (December 2025), is primarily attributable to the change in reporting scope, rather than a full recovery in underlying financial performance. The exclusion of partnership-level liabilities, including significant project debt, materially reduces reported expenses and liabilities at the parent level.

Minor discrepancies, including an approximate \$2 variance in the June 30, 2025, change in net assets and the absence of beginning and ending net asset balances in the unaudited interim statements, also reflect limitations in the available financial information.

Overall, NEW's statement of activities reflects operating losses in 2023 and 2024, a significant non-operating adjustment in 2024 related to consolidation changes, and improved results in 2025 that are primarily driven by a shift to parent-only reporting rather than a fundamental improvement in operating performance.

CASH FLOW STATEMENT

Cash Flow Statement	Audited 6/30/2022	Audited 6/30/2023	Audited 6/30/2024
Operating Activities	\$ 1,789,397	\$ (2,885,647)	\$ (1,126,346)
Investing Activities	\$ (381,079)	\$ (5,839,130)	\$ (981,926)
Financing Activities	\$ 740,875	\$ 8,069,245	\$ (890,902)
Net Increase (decrease) in Cash	\$ 2,149,193	\$ (655,532)	\$ (2,999,174)

NEW's cash flow profile reflects a transition from positive operating cash generation in 2022 to negative operating performance in 2023 and 2024, indicating increasing pressure on internal liquidity.

Net cash provided by operating activities was \$1.8 million in 2022, before declining to \$(2.9) million in 2023 and \$(1.1) million in 2024. This shift to negative operating cash flow aligns with the organization's operating losses during the same period and reflects reduced ability to internally fund operations. Changes in working capital, including fluctuations in receivables, prepaid expenses, and accrued liabilities, further contributed to volatility in operating cash flows.

Investing activities were consistently negative across all periods, reflecting ongoing investment in property, equipment, and development-related activities. Cash used in investing activities totaled \$(0.4) million in 2022, \$(5.8) million in 2023, and \$(1.0) million in 2024. The elevated outflows in 2023 indicate increased development activity and capital expenditures, which are typical for affordable housing developers but place additional demands on liquidity.

Financing activities served as the primary source of cash during periods of operating deficits. In 2023, NEW generated \$8.1 million from financing activities, largely through borrowings, which offset negative operating and investing cash flows. In contrast, financing activities were negative \$(0.9) million in 2024, reflecting repayments of debt and reduced inflows, further constraining overall liquidity.

As a result of these trends, cash balances declined from a net increase of \$2.1 million in 2022 to decreases of \$(0.7) million in 2023 and \$(3.0) million in 2024. The decline in cash balances is consistent with the deterioration in liquidity metrics and highlights the organization's reliance on external financing to support operations and development

Further, changes in financial position during the period were also influenced by timing-related factors, including delays in grant reimbursements and increases in accounts receivable due to payment holds on government contracts. These factors may contribute to fluctuations in reported cash balances and working capital across reporting periods.

Overall, NEW's cash flow profile indicates reduced operating cash generation, ongoing investment requirements, and reliance on external financing sources. The sustained negative operating cash flow in 2023 and 2024, combined with reliance on financing activities, indicates limited internally generated liquidity and increased dependence on external capital sources.

STRENGTHS, WEAKNESSES & MITIGATING FACTORS

Strengths

NEW demonstrates several key strengths, including its established role as a mission-driven affordable housing developer and its long-standing presence serving low-income

communities. The organization operates an integrated platform that includes development, property management, and supportive services, enabling it to function across multiple components of the affordable housing continuum.

A primary strength is NEW's continued access to funding sources, particularly contracts and grants, which have consistently represented a significant portion of total revenues, ranging from approximately 49% to 70% across the audited periods. This funding base provides a level of recurring support typical for nonprofit organizations and supports the delivery of both housing and community-based services. In addition, rental income has become an increasingly important component of revenue, growing significantly from approximately \$0.6 million in 2022 to \$7.3 million in 2024, reflecting successful lease-up and stabilization of real estate assets and contributing to greater revenue diversification.

The organization has also demonstrated the ability to execute and scale development activities, as evidenced by substantial growth in total assets, which increased from approximately \$52.2 million in 2022 to \$80.5 million in 2024, representing growth of approximately 54%. This reflects operational capacity in advancing housing projects, managing development pipelines, and expanding their affordable housing portfolio.

In addition, NEW has demonstrated the ability to access external capital, including debt financing and other funding sources, to support both operations and development activities. This access to capital has enabled the organization to continue operating during periods of financial stress and to fund ongoing project activity.

The organization has also demonstrated the ability to generate positive operating results under more stable conditions, including a strong operating surplus in 2022 with a profit margin of approximately 25%. Liquidity was also strong in prior periods, with current ratios of approximately 3.66x in 2022 and 4.70x in 2023, indicating adequate short-term financial capacity before the deterioration observed in 2024.

More recent unaudited results for 2025 indicate stabilization at the parent entity level, with positive net assets and improved liquidity metrics, including a current ratio of approximately 6.63x as of December 31, 2025. However, these results reflect unconsolidated financial reporting and exclude affiliated partnerships and project-level obligations and therefore are not directly comparable to prior audited periods.

Overall, NEW's strengths include its mission-driven platform, experience in affordable housing development, access to grant funding, measurable growth in assets and rental income, and demonstrated ability to execute development activities and secure financing. These strengths provide a foundation for continued operations, although they must be considered alongside the organization's structural and financial challenges.

Weaknesses and Mitigating Factors

NEW's financial profile reflects several material weaknesses, primarily related to liquidity constraints, elevated leverage, operating performance deterioration, and structural volatility in financial reporting.

A key weakness is the significant deterioration in the organization's financial position in 2024, including the reporting of a net asset deficit of approximately \$(60.5) million. This deficit was driven by both operating losses and a substantial prior period adjustment of approximately \$(69.7) million. While non-operating in nature, this adjustment materially impacted the organization's balance sheet and highlights the complexity of its financial reporting and consolidation practices.

Liquidity constraints represent a significant concern at the consolidated level. Liquidity metrics deteriorated sharply in 2024, with the current ratio declining to approximately 0.28x and the acid test ratio to approximately 0.09x, indicating that short-term obligations substantially exceeded liquid resources. Days cash on hand also declined from 128 days in 2022 to 19 days in 2024, reflecting reduced financial flexibility and limited ability to absorb operating volatility. These conditions indicate reliance on external funding sources to meet short-term obligations.

Leverage is elevated and increased significantly through 2024, with total liabilities rising to approximately \$141.0 million. Long-term liabilities comprise approximately 90% of total liabilities, reflecting a capital structure heavily reliant on debt financing to support development activities. The increase in liabilities outpaced asset growth, resulting in a highly leveraged balance sheet and increased exposure to interest rate risk, refinancing risk, and project execution risk.

Operating performance has weakened over the review period. The organization reported operating losses of approximately \$(1.8) million in 2023 and \$(5.9) million in 2024, following a positive result in 2022. Expenses have grown at a faster rate than revenues, driven by increases in personnel costs, administrative expenses, and non-cash and financing-related costs. Additionally, revenues remain concentrated in contracts, grants, and rental income, exposing the organization to funding variability and the timing of project stabilization.

The organization's financial profile is further impacted by structural variability in reporting. The transition from consolidated audited financial statements in 2022 through 2024 to unconsolidated parent-level financial statements in 2025 significantly limits comparability across periods. While the unaudited 2025 financials show improved liquidity and a return to positive net assets (approximately \$10.2 million as of June 30, 2025, and \$7.6 million as of December 31, 2025), these improvements are primarily

attributable to the exclusion of affiliated partnerships and project-level debt rather than a full recovery in underlying financial performance.

Cash flow trends also reflect underlying pressure, with negative operating cash flow in 2023 and 2024 and continued reliance on financing activities to support operations and development. This reliance on external capital underscores the organization's limited ability to internally fund its activities.

Mitigating these risks, NEW has demonstrated continued access to funding sources, including contracts, grants, and financing, which has enabled it to sustain operations and advance development activity despite financial challenges. Additionally, the organization's growth in rental income and asset base reflects underlying operational capacity and the potential for improved performance as projects stabilize.

Overall, while NEW exhibits structural risks related to liquidity, leverage, operating performance, and financial reporting complexity, these risks are partially mitigated by continued access to funding, demonstrated development capacity, and the potential for improved performance as real estate assets stabilize. However, the organization's financial profile remains sensitive to funding availability, execution risk, and the timing of development-related activities.

Conclusion

NEW's financial condition reflects a transition from relatively stable operations in 2022 to increasing financial pressure in 2023 and a significant deterioration in 2024, followed by partial stabilization in 2025 at the parent entity level.

The organization experienced material weakening in its consolidated balance sheet in 2024, including a net asset deficit, elevated leverage, and constrained liquidity. These conditions were driven by operating losses, increased debt and interest obligations, and a significant prior period adjustment, collectively indicating a period of financial stress. Liquidity metrics declined substantially, and the organization demonstrated reliance on external financing to support operations and development activities.

Operating performance also weakened over the review period, with expenses outpacing revenues and profitability declining from a strong surplus in 2022 to operating losses in 2023 and 2024. Revenue concentration in contracts, grants, and rental income, combined with the project-based nature of development activities, contributes to variability in financial performance.

The unaudited financial statements for 2025, including periods ending June 30, 2025, and December 31, 2025, indicate a return to a positive net asset position and improved liquidity metrics at the parent entity level. However, these improvements are primarily

attributable to a change in reporting scope, as the 2025 financials exclude affiliated partnerships and project-level entities included in prior audited consolidated periods. As a result, the apparent improvement in financial position does not represent a direct recovery in underlying operations and should be interpreted with caution.

Despite these challenges, NEW continues to demonstrate key strengths, including its mission-driven focus, experience in affordable housing development, and ability to access funding and capital. These factors provide a foundation for continued operations; however, the organization's financial profile remains sensitive to funding availability, execution of development activities, and effective management of its capital structure.

In conclusion, while there are indications of stabilization at the parent level, NEW's overall financial condition reflects elevated risk, particularly related to leverage, liquidity, and operational volatility. Continued monitoring of financial performance, liquidity levels, and debt obligations, particularly on a consolidated basis, will be critical in assessing the organization's ability to sustain operations and maintain long-term financial stability.

**New Economics for Women and
New Economics for Women and Affiliates**

Parent Entity Balance Sheet, Liquidity and Net Worth Analysis

While the audited financial statements consolidate New Economics for Women (“NEW”) with its affiliated project entities, the sponsor’s standalone financial capacity is more appropriately reflected in the parent-level unaudited financial statements. As of December 31, 2025, NEW reported approximately \$29.2 million in total assets and \$21.6 million in total liabilities, resulting in net assets (net worth) of approximately \$7.6 million at the parent entity level.

Parent-level liquidity consists primarily of unrestricted cash balances of approximately \$678,000, supplemented by short-term receivables, including grants receivable of approximately \$2.9 million and interest receivable of approximately \$6.5 million. While these receivables represent additional sources of liquidity, their conversion to cash is subject to timing, eligibility, and collectability considerations and may not be immediately available to meet near-term obligations.

The balance sheet also includes longer-term assets such as notes receivable of approximately \$7.3 million, including \$845,309 from tenant receivables. Interest receivables of approximately \$6.2 million make up about 22% of assets. These assets support the organization’s development and financing activities but are generally illiquid and not readily convertible to cash, limiting their usefulness for short-term liquidity needs.

Total liabilities at the parent level include approximately \$14.2 million in long-term notes payable and \$5.6 million in accrued interest, reflecting ongoing debt obligations and associated carrying costs. The level of accrued interest indicates continued pressure from debt service requirements and highlights the importance of sustained cash flow generation and/or refinancing capacity.

Under the LACAHS A NOFA sponsor financial capacity criteria, Eligible Nonprofit sponsors must demonstrate a minimum of \$1 million in net worth and \$500,000 in liquidity. Based on the parent entity financial statements, NEW exceeds both minimum thresholds, with approximately \$7.6 million in net worth and approximately \$678,000 in unrestricted cash. Accordingly, NEW meets the sponsor financial capacity requirements.

New Economics For Women

Balance Sheet

	Audited Consolidated 6/30/2022	% of Assets	Audited Consolidated 6/30/2023	% of Assets	Audited Consolidated 6/30/2024	% of Assets	Unaudited Unconsolidated 6/30/2025	% of Assets	Unaudited Unconsolidated 12/31/2025	% of Assets
Current Assets										
Cash & cash equivalents	\$ 4,066,967	8%	\$ 3,411,435	6%	\$ 1,271,287	2%	\$ 486,527	1%	\$ 677,669	2%
Other assets	\$ 23,532	0%	\$ 95,650	0%	\$ -	0%	\$ 29,529	0%	\$ -	0%
Grants receivable	\$ 1,849,194	0%	\$ 975,628	2%	\$ 2,082,706	3%	\$ 2,293,431	5%	\$ 2,888,310	10%
Tenants receivable	\$ 29,970	0%	\$ 30,136	0%	\$ -	0%	\$ -	0%	\$ -	0%
Due from affiliates	\$ 3,049,937	6%	\$ 3,761,073	6%	\$ 80,568	0%	\$ 1,079,913	2%	\$ 845,309	3%
Interest receivable	\$ 3,727,058	7%	\$ 4,097,984	7%	\$ 1,248	0%	\$ 4,512,816	10%	\$ 6,524,248	22%
Other receivable	\$ 1,718,485	3%	\$ 3,265,067	5%	\$ 386,306	0%	\$ 1,147,103	3%	\$ 36,873	0%
Prepaid expenses	\$ 62,946	0%	\$ 113,276	0%	\$ 215,588	0%	\$ 74,005	0%	\$ 38,765	0%
Total Current Assets	\$ 14,528,089	28%	\$ 15,750,249	26%	\$ 4,037,703	5%	\$ 9,623,324	21%	\$ 11,011,174	38%
Long-Term Assets										
Accrued interest receivable	\$ 4,711,488	9%	\$ 4,951,373	8%	\$ -	0%	\$ 7,363,891	16%	\$ -	0%
Investments	\$ 7,108,863	14%	\$ 7,258,863	12%	\$ 150,000	0%	\$ 8,075,673	18%	\$ 6,186,056	21%
Restricted cash	\$ -	0%	\$ -	0%	\$ 3,216,240	4%	\$ -	0%	\$ -	0%
Notes receivable	\$ 15,729,097	30%	\$ 15,688,416	26%	\$ 1,691,280	2%	\$ 6,990,368	16%	\$ 7,273,959	25%
Deferred fee	\$ 578,632	1%	\$ 578,632	1%	\$ -	0%	\$ 577,562	1%	\$ -	0%
Deposits	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 20,679	0%
Developer fee receivables	\$ -	0%	\$ -	0%	\$ 17,617	0%	\$ 7,804,732	17%	\$ 577,255	2%
Other long-term assets	\$ -	0%	\$ -	0%	\$ 1,457,848	2%	\$ -	0%	\$ -	0%
Total Long-Term Assets	\$ 28,128,080	54%	\$ 28,477,284	48%	\$ 6,532,985	8%	\$ 30,812,226	69%	\$ 14,057,949	48%
Fixed Assets										
Right-of-use asset	\$ -	0%	\$ 487,571	1%	\$ 354,239	0%	\$ 526,769	1%	\$ 232,335	1%
Property and equipment, net	\$ 9,569,097	18%	\$ 14,914,978	25%	\$ 69,539,073	86%	\$ 6,663,485	15%	\$ 6,663,485	23%
Less: Accumulated depreciation	\$ -	0%	\$ -	0%	\$ -	0%	\$ (2,733,703)	-6%	\$ (2,803,051)	-10%
Total Fixed Assets	\$ 9,569,097	18%	\$ 15,402,549	26%	\$ 69,893,312	87%	\$ 4,456,551	10%	\$ 4,092,769	14%
TOTAL ASSETS	\$ 52,225,266	100%	\$ 59,630,082	100%	\$ 80,464,000	100%	\$ 44,892,101	100%	\$ 29,161,892	100%
LIABILITIES										
Current Liabilities										
Accounts payable and accrued expenses	\$ 1,809,975	3%	\$ 1,851,817	3%	\$ 3,466,055	4%	\$ 995,068	2%	\$ 1,305,025	4%
Line of credit	\$ 793,158	2%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%
Refundable advances	\$ -	0%	\$ -	0%	\$ 27,536	0%	\$ -	0%	\$ -	0%
Liabilities	\$ -	0%	\$ 112,655	0%	\$ 150,731	0%	\$ 180,718	0%	\$ 355,329	1%
Due to related party	\$ 279,273	1%	\$ 279,688	0%	\$ 124,844	0%	\$ -	0%	\$ -	0%
Interest payable	\$ 588,302	1%	\$ 780,009	1%	\$ 4,704,903	6%	\$ -	0%	\$ -	0%
Notes payable	\$ 499,692	1%	\$ 330,000	1%	\$ 6,123,854	8%	\$ -	0%	\$ -	0%
Total Current Liabilities	\$ 3,970,400	8%	\$ 3,354,169	6%	\$ 14,597,923	18%	\$ 1,175,786	3%	\$ 1,660,354	6%
Long-Term Liabilities										
Interest payable	\$ 9,409,647	18%	\$ 18,668,697	31%	\$ 44,453,111	55%	\$ 11,896,888	27%	\$ 5,551,203	19%
Notes payable	\$ 21,877,951	42%	\$ 22,078,925	37%	\$ 80,994,706	101%	\$ 21,228,820	47%	\$ 14,215,511	49%
Security deposit payable	\$ 45,977	0%	\$ 63,893	0%	\$ 593,775	1%	\$ 45,977	0%	\$ 44,377	0%
Other liabilities	\$ -	0%	\$ 374,979	1%	\$ 242,520	0%	\$ 346,050	1%	\$ 120,548	0%
Fees payable	\$ -	0%	\$ -	0%	\$ 53,089	0%	\$ -	0%	\$ -	0%
Prepaid rent	\$ -	0%	\$ -	0%	\$ 39,485	0%	\$ -	0%	\$ -	0%
Total Long-Term Liabilities	\$ 31,333,575	60%	\$ 41,186,494	69%	\$ 126,376,686	157%	\$ 33,517,735	75%	\$ 19,931,639	68%
TOTAL LIABILITIES	\$ 35,303,975	68%	\$ 44,540,663	75%	\$ 140,974,609	175%	\$ 34,693,521	77%	\$ 21,591,993	74%
Net Assets										
Net Assets	\$ -	0%	\$ -	0%	\$ -	0%	\$ 9,341,866	21%	\$ 7,506,670	26%
With donor restrictions	\$ 5,300,166	10%	\$ 2,547,765	4%	\$ 1,606,632	2%	\$ -	0%	\$ -	0%
Without donor restrictions	\$ 11,621,125	22%	\$ 12,541,654	21%	\$ (62,117,241)	-77%	\$ -	0%	\$ -	0%
Current year earnings	\$ -	0%	\$ -	0%	\$ -	0%	\$ 856,713	2%	\$ 63,227	0%
NET ASSETS	\$ 16,921,291	32%	\$ 15,089,419	25%	\$ (60,510,609)	-75%	\$ 10,198,579	23%	\$ 7,569,897	26%
TOTAL LIABILITIES & NET ASSETS	\$ 52,225,266	100%	\$ 59,630,082	100%	\$ 80,464,000	100%	\$ 44,892,100	100%	\$ 29,161,890	100%
Ratios										
Current Ratio	3.66		4.70		0.28		8.18		6.63	
Acid Ratio	1.02		1.02		0.09		0.41		0.41	
Days Cash	128		86		19		17		24	
Debt to Net Worth	2.09		2.95		-2.33		3.40		2.85	

New Economics For Women

Statement Of Activities

	Audited Consolidated 6/30/2022	% of Revenues	Audited Consolidated 6/30/2023	% of Revenues	Audited Consolidated 6/30/2024	% of Revenues	Unaudited Unconsolidated 6/30/2025	% of Revenues	Annualized Unconsolidated 12/31/2025	% of Revenues
Rental Income	\$ 555,270	4%	\$ 702,763	6%	\$ 7,257,007	34%	\$ 421,659	4%	\$ 582,700	5%
Contracts and grants	\$ 10,769,111	70%	\$ 6,739,364	57%	\$ 10,419,399	49%	\$ 8,892,071	75%	\$ 8,380,388	78%
Donations	\$ 53,753	0%	\$ 286,062	2%	\$ 65	0%	\$ 972,856	8%	\$ -	0%
Reimbursement income	\$ 1,367,289	9%	\$ 1,640,498	14%	\$ -	0%	\$ -	0%	\$ 4,560	0%
General support	\$ 1,250,759	8%	\$ 1,140,816	10%	\$ 1,689,402	8%	\$ 1,026,803	9%	\$ 1,413,416	13%
Amortization	\$ 330,000	2%	\$ 330,000	3%	\$ 332,870	2%	\$ -	0%	\$ -	0%
Property management	\$ 539,540	4%	\$ 553,507	5%	\$ 298,166	1%	\$ 288,718	2%	\$ 290,160	3%
Interest	\$ 90,513	1%	\$ 102,372	1%	\$ 13,565	0%	\$ -	0%	\$ 88,998	1%
Share of loss from partnerships	\$ (1,649)	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%
Miscellaneous	\$ 328,334	2%	\$ 326,673	3%	\$ 497,555	2%	\$ 5,899	0%	\$ -	0%
Developer fee	\$ -	0%	\$ -	0%	\$ -	0%	\$ 295,786	2%	\$ -	0%
Forgiveness of debt	\$ -	0%	\$ -	0%	\$ 674,872	3%	\$ -	0%	\$ -	0%
TOTAL REVENUES	\$ 15,282,920	100%	\$ 11,822,055	100%	\$ 21,182,901	100%	\$ 11,903,792	100%	\$ 10,760,222	100%
Expenses										
Salaries	\$ 6,242,820	41%	\$ 6,907,091	58%	\$ 8,821,397	42%	\$ 5,538,221	47%	\$ 5,440,052	51%
Payroll Taxes and employee benefits	\$ 1,051,176	7%	\$ 1,172,183	10%	\$ 1,549,522	7%	\$ 1,105,779	9%	\$ 906,488	8%
Audit and legal	\$ 59,920	0%	\$ 102,060	1%	\$ 2,372,293	11%	\$ 299,690	3%	\$ 397,082	4%
Advertising	\$ 62,800	0%	\$ 82,297	1%	\$ 103,992	0%	\$ 8,957	0%	\$ 5,506	0%
General and admin	\$ 2,918,444	19%	\$ 4,200,893	36%	\$ 3,552,702	17%	\$ 1,641,721	14%	\$ 2,742,128	25%
Bad debt expense	\$ 101,527	1%	\$ 4,969	0%	\$ -	0%	\$ -	0%	\$ -	0%
Program services	\$ 45,297	0%	\$ 467,830	4%	\$ 1,607,937	8%	\$ 951,790	8%	\$ 100,876	1%
Real estate taxes and Insurance	\$ 366,109	2%	\$ 251,854	2%	\$ 830,132	4%	\$ 117,400	1%	\$ 133,474	1%
Utilities	\$ 52,727	0%	\$ 220,872	2%	\$ 1,361,990	6%	\$ 183,762	2%	\$ 240,212	2%
Misc	\$ 322,008	2%	\$ 554,029	5%	\$ 189,793	1%	\$ 482,852	4%	\$ -	0%
Depreciation and amortization	\$ 316,068	2%	\$ 343,249	3%	\$ 2,561,906	12%	\$ -	0%	\$ 138,696	1%
Office Rent	\$ -	0%	\$ -	0%	\$ 532,375	3%	\$ 209,365	2%	\$ 216,366	2%
Repairs and Maintenance	\$ -	0%	\$ -	0%	\$ -	0%	\$ 76,877	1%	\$ -	0%
Interest	\$ 329,767	2%	\$ 484,012	4%	\$ 3,580,649	17%	\$ -	0%	\$ 107,282	1%
Total Expenses	\$ 11,868,663	78%	\$ 14,791,339	125%	\$ 27,064,688	128%	\$ 10,616,414	89%	\$ 10,428,162	97%
CHANGE IN NET ASSETS (Operating Activities)	\$ 3,414,257	22%	\$ (2,969,284)	-25%	\$ (5,881,787)	-28%	\$ 1,287,378	11%	\$ 332,060	3%
Employee retention credit	\$ 353,545	2%	\$ 1,137,412	10%	\$ -	0%	\$ -	0%	\$ -	0%
Interest income	\$ -	0%	\$ -	0%	\$ -	0%	\$ 82,980	1%	\$ -	0%
Depreciation expense	\$ -	0%	\$ -	0%	\$ -	0%	\$ (138,696)	-1%	\$ -	0%
Interest expense	\$ -	0%	\$ -	0%	\$ -	0%	\$ (374,951)	-3%	\$ -	0%
Total Change in Net Assets	\$ 3,767,802		\$ (1,831,872)		\$ (5,881,787)		\$ 856,711		\$ 332,060	
Temporarily Restricted Income										
Prior period adjustment	\$ -	0%	\$ -	0%	\$ (69,718,241)	-329%	\$ -	0%	\$ -	0%
TOTAL RESTRICTED INCOME	\$ -	0%	\$ -	0%	\$ (69,718,241)	-329%	\$ -	0%	\$ -	0%
CHANGE IN NET ASSETS	\$ 3,767,802	25%	\$ (1,831,872)	-15%	\$ (75,600,028)	-357%	\$ 856,711	7%	\$ 332,060	3%
Net Assets, beginning of year	\$ 13,153,489		\$ 16,921,291		\$ 15,089,419		\$ 9,341,866		\$ 10,198,577	
Net Assets, end of year	\$ 16,921,291		\$ 15,089,419		\$ (60,510,609)		\$ 10,198,577		\$ 10,530,637	
Ratios										
Profit Margin	25%		-15%		-357%		7%		3%	
Growth in Total Revenue			-23%		79%		-44%		-10%	
Growth in Total Expenses			25%		83%		-61%		-2%	

New Economics For Women

Cash Flow Statement

	Audited Consolidated 6/30/2022	Audited Consolidated 6/30/2023	Audited Consolidated 6/30/2024	Unaudited 6/30/2025	Unaudited 12/31/2025
Operating Activities					
Change in net assets	\$ 3,767,802	\$ (1,831,872)	\$ (5,881,787)	\$ -	\$ -
Depreciation and amortization	\$ (13,932)	\$ 44,623	\$ 2,561,906	\$ -	\$ -
Amortization of debt issuance costs	\$ -	\$ -	\$ 39,262	\$ -	\$ -
Loan forgiveness	\$ (353,545)	\$ -	\$ -	\$ -	\$ -
Share of loss from partnerships	\$ 1,649	\$ -	\$ -	\$ -	\$ -
Grants receivable	\$ (787,770)	\$ 873,566	\$ (1,107,078)	\$ -	\$ -
Tenants receivable	\$ (6,358)	\$ (166)	\$ -	\$ -	\$ -
Due from/to affiliates	\$ (448,089)	\$ (710,721)	\$ 48,140	\$ -	\$ -
Prepaid expenses	\$ 179,761	\$ (50,330)	\$ 102,056	\$ -	\$ -
Notes receivable	\$ (11,196)	\$ (12,224)	\$ -	\$ -	\$ -
Reduction of lease liabilities	\$ -	\$ (31,311)	\$ (177,738)	\$ -	\$ -
Employee credit receivable	\$ -	\$ (1,137,412)	\$ -	\$ -	\$ -
Other assets	\$ -	\$ (72,118)	\$ 133,332	\$ -	\$ -
Security deposit payable	\$ -	\$ 17,916	\$ 6,178	\$ -	\$ -
Other receivable	\$ (256,507)	\$ (409,170)	\$ 686,490	\$ -	\$ -
Accounts payable and accrued expenses	\$ (587,336)	\$ 41,842	\$ 75,740	\$ -	\$ -
Refundable advances	\$ -	\$ -	\$ 1,196	\$ -	\$ -
Accrued interest receivable	\$ (628,500)	\$ (610,811)	\$ -	\$ -	\$ -
Accrued interest payable	\$ 933,418	\$ 1,002,541	\$ 2,385,957	\$ -	\$ -
Net cash provided by (used in) operating activities	\$ 1,789,397	\$ (2,885,647)	\$ (1,126,346)	\$ -	\$ -
Investing Activities					
Investments in property and equipment	\$ (3,595)	\$ (5,689,130)	\$ (920,438)	\$ -	\$ -
Notes receivable	\$ -	\$ -	\$ (61,488)	\$ -	\$ -
Investment in partnerships	\$ (377,484)	\$ (150,000)	\$ -	\$ -	\$ -
Net cash used in investing activities	\$ (381,079)	\$ (5,839,130)	\$ (981,926)	\$ -	\$ -
Financing Activities:					
Payments on notes payable	\$ 746,875	\$ (204,445)	\$ (890,902)	\$ -	\$ -
Lines of credit	\$ (6,000)	\$ 8,273,690	\$ -	\$ -	\$ -
Net cash provided by financing activities	\$ 740,875	\$ 8,069,245	\$ (890,902)	\$ -	\$ -
Net increase (decrease) in cash	\$ 2,149,193	\$ (655,532)	\$ (2,999,174)	\$ -	\$ -
Cash, beginning of year	\$ 1,917,774	\$ 4,066,967	\$ 7,486,701	\$ -	\$ -
Cash, end of year	\$ 4,066,967	\$ 3,411,435	\$ 4,487,527	\$ -	\$ -
Supplemental disclosure of cash flow information:					
Cash paid for interest	\$ 329,767	\$ 484,012	\$ 1,174,171	\$ -	\$ -
Supplemental disclosure of non-cash investing and financing activities:					
Initial right-of-use asset	\$ -	\$ 518,945	\$ -	\$ -	\$ -
Refinancing of existing term loan	\$ -	\$ 1,349,158	\$ -	\$ -	\$ -
Payment of existing loans	\$ -	\$ 2,218,152	\$ -	\$ -	\$ -
Payment of lines of credit	\$ -	\$ 793,158	\$ -	\$ -	\$ -
Cash, cash equivalents, and restricted cash:					
Cash and cash equivalents	\$ 4,066,967	\$ 3,411,435	\$ 1,271,287	\$ 486,527	\$ 677,669
Restricted reserves and deposits	\$ -	\$ -	\$ 3,216,240	\$ -	\$ 20,679
	\$ 4,066,967	\$ 3,411,435	\$ 4,487,527	\$ 486,527	\$ 698,348