



Q&A #1 – CLT/NOAH Program Listening Session 01/21/2026

Q#1: Can we submit a letter? Or is the Google Form the only way you want to receive comments?

Answer 01/29/2026: It is acceptable to submit a letter to LACAHSAs using the following email address, CLTNOAH@LACAHSAs.gov.

Q#2: It seemed like the regulations were pointing to the funds being released as a subordinate loan. Could you clarify further? Can the funds be available as a grant or an RR loan too?

Answer 01/29/2026: LACAHSAs will offer up to three distinct products to borrowers under the CLT/NOAH program:

- 1) A Senior Loan, sized to a minimum debt service coverage ratio (DSCR) of 1.25. Applicants can secure this financing through LACAHSAs or another source. Terms will be included in the revised Term Sheet that will be posted in advance of the 2nd Listening Session.
- 2) A Residual Receipts Loan, sized to the lesser of 100% combined loan to cost or 100% combined loan to value ratio. The residual receipts loan principal and interest shall be payable to the extent cash flow is available after paying for operating expenses, reserves, mortgage payment, developer fee, asset management and monitoring fees. One-third of annual residual receipts payments of the Project's residual cash flow is required.
- 3) LACAHSAs has limited grant funds that can be sized to cover total development costs not funded by the Senior Loan or Residual Receipt Loan described above, sized to a maximum of 5% of TDC.

Q#3: Can a nonprofit developer with acquisition/rehab experience serve as the consultant on a sale and rehab of one of its own communities to a CLT (who may not meet the experience threshold)?

Answer 01/29/2026: A nonprofit developer experienced with acquisition/rehab can serve as the consultant on a comparable project as long as they meet the experience requirements. However, projects with existing affordability covenants are not eligible for funding under the CLT/NOAH Program. Such projects are only eligible for funding under LACAHSAs's preservation program if they extend affordability covenants for a minimum of 55 years or deepen affordability.



Q#4: Would LACAHS A provide both the Senior Loan and Residual Receipt Loans for the same project or do applicants select one or the other?

Answer 01/29/2026: Projects can select all three products – Senior Loan, Residual Receipts and Grant Funds.

Q#5: Does an ADU or Factory Built Housing product qualify?

Answer 01/29/2026: Yes, as long as the new construction is part of an existing property.

Q#6: I'm wondering why we are limiting the affordability to 55 years as an option?

Answer 01/29/2026: This is a minimum threshold of 55 years for the affordability covenant. Projects receive a scoring preference for providing more than 55 years of affordability.

Q#7: Is it possible to advance funds for some of the predevelopment costs between award and closing? Just noting that many of the CLTs also need funds to be able to pull many of the reports, etc. How quickly will the funds be able to move in general?

Answer 01/29/2026: LACAHS A will fund predevelopment costs after acquisition closing. Borrowers will have to provide a predevelopment budget to LACAHS A for approval prior to disbursement. At this time, LACAHS A cannot confirm specifically how quickly it can disburse funds, but it intends to fund acquisition costs.

Q#8: From the Term Sheet, are the CLT loan program closing conditions required before release/closing on the entire loan if LACAHS A is being used for both acquisitions and rehab?

Answer 01/29/2026: No, the proceeds are intended to be disbursed in stages. Acquisition loan amounts have fewer closing conditions than funds released for rehabilitation.

Q#9: Are eligible applicants being considered for the CLT program if they do not have a CLT partner?

Answer 01/29/2026: Yes, eligible applicants include CLTs and eligible nonprofit housing developers working on projects with fewer than 40 units.



Q#10: Does a single-family rental property qualify?

Answer 01/29/2026: Yes, it qualifies for this program.

Q#11: On Maximum income levels, can you clarify on language saying "no lower" than 80% AMI average? As CLTs, we work with buildings reaching deeper affordability.

Answer 01/29/2026: LACAHS A is prioritizing financial sustainability and wants to see projects eventually achieve an average affordability of 80% AMI. If a project's average affordability is currently below 80% AMI, the project financial structure needs to take that into account. Also, projects can propose an average affordability below 80% AMI; however, the applicant needs to provide a plan for long-term financial sustainability.

Q#12: Do permits/approvals, seismic assessment (other conditions required to close the loan) are needed before acquisition loan closing?

Answer 01/29/2026: No. The acquisition loan can fund with a lower level of due diligence. But more due diligence is required to access funds for predevelopment, and more is required to access the rehabilitation funds. A full timeline and thresholds to meet each of the development phases will be required for acquisition closing.

Q#13: For the CLT Funding Program, it would make sense that other developers and public housing agencies that want to access the funds would have to partner with a CLT to access the funds. How will not being a CLT factor into experience?

Answer 01/29/2026: There are not many non CLTs with CLT experience. Please review the Term Sheet requirements for Borrower Experience.

Q#14: The requirement that 75% of the residents agree to acquisition and conversion to a cooperative before acquisition seems high. It takes a lot of capacity and time to get people on board with a conversion.

Answer 01/29/2026: This is not a requirement at acquisition closing, but it is a requirement for conversion to cooperative ownership.

Q#15: Has LACAHS A considered means of forgiving principal and interest on the residual receipts loan?

Answer 01/29/2026: Yes, if the applicant agrees to extend affordability covenants beyond 55 years, the principal and interest on subordinate debt can be forgiven.



Q#16: Within the ULA Small NOAH Acquisition/Rehab Program Guidelines, a Service Payback Loan (i.e. 30 years) is permitted. Would you consider this product rather than residual receipts? which has benefits of lowering administrative obligations that could weigh more heavily on a project that converts to resident ownership?

Answer 01/29/2026: No, LACAHSAs cannot offer a Service Payback loan because it is not allowed under its Expenditure Plan.

Q#17: Do you have a definition of community land trust that LACAHSAs is operating with for eligible borrower?

Answer 01/29/2026: We invite stakeholders to provide a definition for CLT.

Q#18: Our RHT is an eligible jurisdiction, and we just formed a nonprofit land trust. Could we combine PPO flexible allocation with these funds to support an acquisition-rehab?

Answer 01/29/2026: Yes, LACAHSAs PPO funds can be combined with LACAHSAs CLT/NOAH funds for projects with fewer than 40 units.

Q#19: An important qualification to the Rolling App vote: from the perspective of LA CLT Coalition, it should only be rolling if eligible borrowers are a CLT or a partnership.

Answer 01/29/2026:

No, the same application deadlines will apply to all applicants.