



**LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY
COMMUNITY LAND TRUST & NATURALLY OCCURRING AFFORDABLE HOUSING PROGRAM
PROGRAM SUMMARY**

Updated: February 4, 2026

Los Angeles County Affordable Housing Solutions Agency’s Community Land Trust & Naturally Occurring Affordable Housing Program (hereinafter “CLT/NOAH Program”) provides funding for the acquisition and rehabilitation of affordable multifamily housing in the County of Los Angeles (County). The terms below provide general and program terms for eligibility for the CLT/NOAH Program. Any material changes to the Term Sheet shall be subject to approval by LACAHSAs.

In an effort to revitalize neighborhoods and prevent residential displacement of low-income residents residing in small properties under 40 units, Los Angeles County Affordable Housing Solutions Agency (LACAHSAs) is initiating a suite of funding solutions that can be used together to acquire and rehabilitate existing buildings.

Projects can access Senior Permanent Loans from banks or other financial institutions, or they can access such financing from LACAHSAs, which provides below market interest rates. The Senior Permanent Loan is structured as a fully-amortizing loan, and LACAHSAs will also provide a Residual Receipts Loan that is subordinate debt payable from residual receipts. Borrowers also can pursue grant funds through LACAHSAs. Below provides more details.

Program Term	LACAHSAs Description
Program Description	The LACAHSAs CLT/NOAH Program selects qualified Borrowers to acquire and rehabilitate existing vacant or occupied single- or multi-family properties, providing low-interest loans, residual receipts loans and grants to County of Los Angeles developers. The program includes the creation of affordable rental, ownership, and lease-to-own housing for lower income households.
Eligible Borrowers	<ul style="list-style-type: none"> • Community Land Trusts (CLTs) • Non-profit affordable housing developers that are developing small affordable housing with less than 40 units that

	<p>are in documented partnership with a CLT</p> <ul style="list-style-type: none"> • Limited equity cooperatives or permanent real estate cooperatives that are in a documented partnership with a CLT • Public entities • Public housing authorities
<p>Experience Requirements</p>	<ul style="list-style-type: none"> • Applicants must have acquired and completed at least three (3) residential developments if acquisition/rehabilitation is proposed. • Project Manager assigned to project must have experience with at least one (1) comparable, successfully completed project, or be assisted by a consultant or other staff person with at least three (3) comparable, successfully completed projects. • Construction/rehabilitation management experience must be demonstrated if rehabilitation is proposed (either internal or through 3rd party consultant). • Alternative experience may be provided subject to LCAHSA review and approval. <p>If an applicant does not meet the criteria for experience listed above, applicant must meet one of the requirements set forth below:</p> <ul style="list-style-type: none"> • Enter into a contractual agreement with an experienced housing development consultant or developer with at least three (3) acquisition or rehabilitation residential projects for the predevelopment and construction phases. This agreement must be in place at the time of application through full lease-up of the project and memorialized in an executed Memorandum of Understanding (MOU) or contract submitted to LCAHSA. • Provide actionable and budgeted staffing plan demonstrating that qualified staffing will be added to the developer’s organization during the predevelopment and construction phases. This plan may factor in asset management and property management fees and cash flow from the project itself.
<p>Eligible Projects</p>	<p>Acquisition only, or acquisition/rehabilitation of unsubsidized residential properties less than 40 units</p> <ul style="list-style-type: none"> • Tenure Types:

	<ul style="list-style-type: none"> ○ Affordable rental ○ Shared or limited equity resident shareholder ownership in a cooperative ○ Affordable homeownership ○ Affordable rental-to-homeownership (“lease to own”) projects ○ Affordable rental-to-cooperative projects ○ Tenant in Common <ul style="list-style-type: none"> ● Target Populations: Multifamily, seniors, special needs groups <p>The addition of Accessory Dwelling Units (ADUs) may also be eligible for CLT/NOAH Program funding and will be evaluated for feasibility on a case-by-case basis.</p> <p>Scattered site properties within 5-mile diameter may be proposed as defined by the California Tax Credit Allocation Committee.</p>
<p>Ineligible Uses</p>	<p>The following projects are NOT eligible under the CLT/NOAH Program and are encouraged to apply under the LACAHSa Production & Preservation NOFA.</p> <ul style="list-style-type: none"> ○ Rehabilitation-only ○ Transitional housing ○ Permanent relocation or evictions ○ Capitalized operating reserves ○ Mortgage assistance
<p>Rehabilitation Requirements</p>	<p>Projects anticipating rehabilitation must carry a <u>minimum contingency of 20%</u> of hard costs at project application, which <i>may</i> be reduced to 15%, as approved by LACAHSa.</p> <p>The rehabilitation must prioritize health and safety improvements, accessibility, and structural rehabilitation needs, including:</p> <ul style="list-style-type: none"> ● Correction of health and safety hazards, immediate health deficiencies and/or code violations

	<ul style="list-style-type: none"> • Accessibility Improvements <p>Rehabilitation work such as roofing replacement, seismic strengthening, foundation, drainage, exterior wall restoration and painting, energy efficiency improvements, electrical and plumbing system improvements. Other rehabilitation scope of work is subject to LACAHS approval.</p> <p>A 10% retention shall be included in the construction contract, to be released upon successful completion of rehabilitation in line with the approved budget, confirmation that the project has met all of the contracting compliance requirements and other rehabilitation requirements as required by the CLT/NOAH Loan program and, if applicable, a temporary certificate of occupancy.</p>
<p>Award and Funding</p>	<p>Borrower shall have 12 months from award to close on the award and start rehabilitation, or the commitment will be rescinded, unless an extension is authorized by LACAHS, evidencing adequate progress towards completion of project.</p> <p>The Senior Construction/Permanent Loan will fund acquisition and rehabilitation and will convert to permanent financing upon stabilization.</p>
<p>Due Diligence and Loan Closing Conditions</p>	<p>Applicants are expected to submit all due diligence requirements to LACAHS as detailed in the CLT/NOAH Program checklist which includes but is not limited to the following:</p> <p><u>At Application:</u></p> <ul style="list-style-type: none"> • Project description including detail on the development plan • Asset and property management plan • For joint ventures: draft MOU outlining roles & responsibilities of the partners • Project pro forma with 55-year cash flow • Evidence of project readiness (purchase and sale agreement, executed letter of interest) • Preliminary title report • Project schedule (including hard deadlines in purchase and sale agreement) • Estimated rehab needs (if information is known)

- All building information provided by the Seller, such as rent rolls, operating budgets, utility expenses, commercial leases, building inspection reports etc.

Closing Conditions for Acquisition/Predevelopment:

- Receipt and review of Appraisal, which will be ordered by LACAHS and paid by the project
- Physical Needs Assessment/Condition Needs Assessment for 5+ unit projects
- Projects of 1-4 units must provide a home inspection report with preliminary cost estimates or a cost estimate provided by a licensed contractor
- Environmental Assessments (Phase 1, Phase 2, etc.)
- Pest report
- Lead and Asbestos report
- ALTA survey (as need indicates)
- Zoning assessment

Funding Conditions for Rehabilitation:

- Seismic assessment
- Sewer lateral
- Rehabilitation estimate produced by a qualified cost estimator or general contractor
- Developer organizational documents including but not limited to 3 years of audited financial statements, and most recent interim financial statement
- Recent Real Estate Owned (REO) Schedule, development track record and developer fee projections
- Leadership team biographies or resumes

	<ul style="list-style-type: none"> • Other reports as deemed necessary by LACAHSa • Plans and Specifications, if applicable • Permits/Approvals (all approvals must be received), or Ready to Issue Letter, if applicable • Final Financing Agreements • Approved Construction Budget and Schedule • Construction Contract (Loan Agreement Attachment) • Architectural Contract (Loan Agreement Attachment) • Accessibility Certification • Proof of Contractor’s Bond Issuance • Proof of Liability Insurance <p><u>Post-Closing Prior to Start of Rehabilitation:</u></p> <ul style="list-style-type: none"> • Contract Compliance Approval • Pre-Construction Meeting
<p>Post Closing Due Diligence Documentation</p>	<p>At Project Completion Developer is required to provide a detailed accounting of all project costs, either prepared by an outside certified accountant or by developer’s in-house accountant and certified by an authorized representative of the developer</p>
<p>Developer Fee</p>	<p><u>Acquisition Fee</u></p> <ul style="list-style-type: none"> • Developers are entitled to a flat acquisition fee of 12% of acquisition cost or \$100,000, whichever is less.

	<p><u>Rehabilitation Fee</u></p> <ul style="list-style-type: none"> Projects undertaking rehabilitation may include in their budgets an additional fee equal to the lesser of a) 20% of the total construction cost, b) \$10,000 per unit or c) 6% of total development costs (excluding the developer fee), whichever is lower. Fifty percent of the rehab fees are payable at the conclusion of the rehabilitation project and the remaining at stabilization of the project. <p><u>Emerging Developers</u></p> <ul style="list-style-type: none"> Developers that do not meet the threshold experience requirements for the CLT/NOAH program must partner with another organization or consultant to be eligible to apply. <p><u>Development Fee Guidance</u></p> <p>The following development fee guidance applies:</p> <ul style="list-style-type: none"> Developer fee plus the Rehabilitation Fee (as applicable) as described above \$150,000 consultant fee, which must cover all phases of work and all ancillary fees These fees are exclusive of the allowed construction manager fee if rehabilitation is included in the work <p><u>Incentive Developer Fee</u></p> <ul style="list-style-type: none"> If projects are completed within budget and on or ahead of schedule (as memorialized in the executed CLT/NOAH Agreement), the Developer shall be entitled to an additional Incentive Developer Fee of \$1,500 per unit provided there are sufficient savings in any of the following budget line items: hard cost contingency, soft cost contingency, interest reserve and relocation.
<p>Maximum Income Levels</p>	<p><u>Rental Units:</u></p> <ul style="list-style-type: none"> For occupied units and vacant units, 10% of units shall target 30% AMI, 10% shall target 50% AMI and the balance of

	<p>units can target up to 120% AMI.</p> <ul style="list-style-type: none"> • Upon turnover, units must be occupied by households earning up to 120% AMI as needed to cross-subsidize lower income units within the building to achieve no lower than an 80% AMI average, and subject to sponsor analysis of rental market comparables <p>LCAHSA may make exceptions to lower the 80% AMI requirement on a case-by-case basis, to the extent the Project maintains long-term financial feasibility, and subject to sponsor analysis of rental market comparables.</p> <p><u>Homeownership Units:</u></p> <ul style="list-style-type: none"> • Units must be sold to households at or below 120% of AMI; in lease-to-own projects, prospective homebuyers are income-qualified at initial tenancy, not at unit sale. <p><u>Cooperative Projects:</u></p> <ul style="list-style-type: none"> • Units shall have the same affordability restrictions as rental housing above. Upon turnover, units must be occupied by households earning up to 120% AMI as needed to cross- subsidize lower income shareholders within the building. Prospective cooperative members are income-qualified at initial tenancy, not at coop conversion. Average affordability shall be no lower than 80% AMI. <p><i>All existing tenants may stay in their home regardless of income; permanent relocation is not allowed. However, existing tenants who are not paying rent and have not agreed to a payment plan, or other form of forbearance, may be subject to eviction. LCAHSA funding cannot be used to pay for evictions.</i></p>
<p>Reserves</p>	<ul style="list-style-type: none"> • Operating reserves (rental projects and cooperatives): maintain an operating reserve capitalized at 6 months of the sum of operating expenses, must-pay debt, and replacement reserves. • Replacement reserves (rental projects and cooperatives): replacement reserves should be sized to the amount necessary to cover replacement costs for at least the next 20 years as specified in an approved PNA or CNA

	<ul style="list-style-type: none"> Annual deposits into replacement reserves should be the higher of (i) the amount needed according to an approved 20-year PNA or CNA or, (ii) up to \$500 per unit.
Application Deposit	<ul style="list-style-type: none"> Non-refundable deposit of \$1,500 due within 30 days of NOFA selection (applied as a credit to legal and advisory costs/fees at closing).
Upfront Origination Fee	<ul style="list-style-type: none"> 0.75% of total loan amount
Lender Closing Costs	<ul style="list-style-type: none"> Borrower to pay LACAHSa legal and advisory costs at closing (capped at \$7,500).
Plan and Cost Review/ Monitoring Costs	<ul style="list-style-type: none"> Borrower to cover the cost of LACAHSa’s plan and cost reviewer/construction monitor where plan and cost review not required by senior lender.
Maximum Asset and Property Management Fees	<ul style="list-style-type: none"> Developers should include property and asset management fees in their annual operating budgets set at levels that reflect industry standards for the building size and that will ensure appropriate maintenance and management of the building. <p><i>These fees must also provide conformance with the CLT/NOAH Program per-project funding caps and the prescribed range of debt service coverage ratios (see below under “Senior Loan Terms”) if first mortgage debt is leveraged.</i></p>
Annual Permanent Financing Monitoring Fees	<ul style="list-style-type: none"> Rental and rental-to-cooperative projects: Base Fee of 5 basis points of loan amount with a 2% annual escalation factor. Rent-to-own projects: Base Fee of 5 basis points of loan amount with a 2% annual escalation factor
Compliance Monitoring and	LACAHSa reserves the right to monitor compliance with the Affordability Covenant during the term of the Affordability Covenant period to ensure that owner- occupancy requirements are met. Project owners shall be

Reports	<p>required to submit reports as follows:</p> <ul style="list-style-type: none"> • Annual reports including information described in the Regulatory Agreement or Affordability Agreement as applicable • Quarterly reports during the rental term
Record Keeping	<p>As defined in the Affordability Covenant, records must be maintained and kept in the control of the project owner during the term of the Affordability Covenant as applicable.</p>
Insurance Requirements	<p>Prior to loan closing, developer will be required to submit evidence of insurance coverage that meet LACAHS's requirements then in effect and as required for the proposed project as outlined in the Loan Agreement.</p>
Resident Engagement and Training Requirements	<p>At application, Borrower is required to submit a high-level resident engagement and community engagement plan for all project tenure types; prior to loan closing, Borrower is required to submit a more detailed resident engagement plan; during project operations for rental projects, Borrower is required to meet ongoing resident engagement requirements.</p>
Fair Housing and Accessibility	<p>Projects must meet requirements of the Americans with Disabilities Act and the Fair Housing Act, among other local, state, and federal laws as applicable. Projects with federal funds must meet Section 504 of the Rehabilitation Act of 1973.</p>
Application Process and Loan Commitment	<p>Projects must follow the application process as outlined in the 2026 LACAHS CLT/NOAH Program. If an application is approved, LACAHS staff will prepare a commitment letter that will be sent to the applicant for acceptance; receipt of the commitment letter within 60 days is required.</p>
Cooperative Conversion Requirements, if Applicable	<p>Prior to acquisition, CLTs seeking conversion of buildings to a cooperative ownership are required to submit the following to LACAHS:</p> <ul style="list-style-type: none"> • A proposed timeframe and resident engagement and training plan for the cooperative conversion <p>Prior to proposed transfer to resident ownership, CLT is required to submit the following documentation to LACAHS:</p> <ul style="list-style-type: none"> • At acquisition, evidence that at least 75% of residents agree to the acquisition and eventual conversion to

	<p>a cooperative building.</p> <ul style="list-style-type: none"> • Approval by LACAHSa of the cooperative by-laws and other governance documents that clearly demonstrate residents’ rights and responsibilities • Completion of an approved resident training program • For CLTs, the form of the ground lease will be subject to LACAHSa review and approval. LACAHSa must be an intended third-party beneficiary of the ground lease with the right to enforce its terms and conditions. • Statement of qualifications of cooperative leadership and staff • Updated Market and Management Plan • Form of Ground Lease • Form of Resident Share or Occupancy Agreement • Cooperative governing documents • Evidence of State DRE approval of the cooperative, if applicable 		
<p>Labor Requirements</p>	<p>Construction or rehabilitation contracts and subcontracts must include provisions requiring the payment of prevailing wages. As established by the enabling legislation, prevailing wage applies to all PPO activities involving construction or rehabilitation including homeownership activities.</p>		
	<p>Senior Construction/Permanent Loan</p>	<p>Residual Receipts Note</p>	<p>Grants</p>
<p>Eligible Uses</p>	<p>May be used for acquisition, predevelopment and construction.</p> <ul style="list-style-type: none"> • Option fees and purchase costs • Acquisition 	<p>May be used for gap financing to cover:</p> <ul style="list-style-type: none"> • Operating reserves (6 months of debt service, replacement reserve, and operating expenses) • Any costs not covered by the 	<p>May be used for gap financing to cover:</p> <ul style="list-style-type: none"> • Any Costs not covered by the Senior Construction/Permanent Loan

	<ul style="list-style-type: none"> • Soft costs such as environmental assessments, due diligence reports, property inspections, construction estimates, legal costs, architecture and engineering costs, appraisals, and other third-party reports needed for development • Soft cost contingency – minimum of 5%, target of 10% • Construction management fees – sponsors may include up to \$30,000 per project. LCAHSA will also retain its own 3rd party construction manager to review proposed rehabilitation plans. Sponsors should budget for the initial Plan & Cost Review and ongoing monthly field observation reports: 5 units or more, estimate \$6,000 for review and up to \$750/month for monthly inspections. Projects with 4 or fewer units assume \$5,000 for cost review and \$500/month for monthly inspections. (Costs are subject 	<p>Senior Construction/Permanent Loan</p>	<p>or Residual Receipts Note</p>
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	<p>to change)</p> <ul style="list-style-type: none"> • Rehabilitation hard costs • Developer fee- see guidance in “Developer Fee” section above • Temporary relocation costs up to 90 days 		
Purpose and Form of Assistance	Provides must-pay loans for the acquisition and rehabilitation of affordable multifamily housing in the County of Los Angeles (County).	Provides Residual Receipts loans for the acquisition and rehabilitation of affordable multifamily housing in the County of Los Angeles (County).	Provides Grants for the acquisition and rehabilitation of affordable multifamily housing in the County of Los Angeles (County).
Maximum Amount of Funding (\$7.5MM in aggregate)	<ul style="list-style-type: none"> • Lesser of: <ul style="list-style-type: none"> ○ 90% Loan to Cost or ○ 90% Loan to Value • Minimum DSCR: 1.25 for Senior Loan • Maximum DSCR: Not to exceed approximately 1.75 at Year 15 • Developers seeking a variance from DSCR standards may consult with LACAHS to discuss project specifics 	<ul style="list-style-type: none"> • Lesser of: <ul style="list-style-type: none"> ○ 100% LTC or ○ 100% LTV on a combined basis where LACAHS provides subordinate financing. 	<ul style="list-style-type: none"> • Up to 5% of total development cost, if the LACAHS senior loan and residual receipts loans are insufficient to pay for total project cost.
Term	55 years	Minimum of 55 years. Perpetuity for the CLT / NOAH Program	N/A

		is defined as 99 years.	
Amortization	Interest only during the rehabilitation period (up to 3 years from acquisition); thereafter, loan is fully amortizing with a 55-year term.	Principal and accrued interest accrue at stabilization and are paid from residual receipts are when adequate cash flow is available for distribution 33.33% split of residual receipts. However, loan is forgivable if the Borrower agrees to extend the affordability term beyond 55 years. Repaid through 1/3 of residual receipts which allows the project to repay.	N/A
Interest Rate	See State and Local Government Securities (SLGS) (daily rate table posted in the CLT/NOAH Program RFP)	2% simple interest only during Rehabilitation Phase. Thereafter, principal and interest accrue starting at stabilization.	N/A
Conversion Requirements	For a minimum of 90 consecutive days, project shall meet the following: <ul style="list-style-type: none"> • 1.15 DCR • Minimum 90% occupancy 	For a minimum of 90 consecutive days, project shall meet the following: <ul style="list-style-type: none"> • 1.15 DCR • Minimum 90% occupancy 	N/A
Prepayment Lockout/Penalties	None	None	N/A
Security	1st lien on real property.	Junior lien on real property. LCAHSA will subordinate to other senior lenders. For other residual receipts lenders, a pari-passu lien will be required.	N/A

		LACAHS will not subordinate affordability covenant.	
Repayment Terms	Principal and interest due at maturity.	LACAHS will forgive the outstanding principal and accrued interest after 55 years.	N/A
Rehabilitation Period	3 years from acquisition.	3 years from acquisition.	
Documents	<ul style="list-style-type: none"> • Loan Agreement (sets forth terms of loan and scope of project) • Affordability Covenant (recorded against the property, restricts rents/resident payments and occupancy, and governs project operations) or, if a homeownership project, an Affordability Covenant (recorded against the property, ensures continued affordability of the ownership units). Minimum affordability covenant is 55 years. • Promissory Note (sets forth terms of loan repayment) • Deed of Trust (recorded against fee or leasehold interest as appropriate, secures loan obligations) 	Same as Senior Permanent Loan.	Grant Agreement

	<ul style="list-style-type: none"> • Subordination Agreement(s) with other lenders as applicable • Sponsor Repayment and Completion Guaranty <p>LCAHSA will not subordinate its Regulatory Agreement or Affordability Covenant to private lenders.</p>		
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Weighting of LACAHS CLT/NOAH Program Scoring Categories

Category		Points
Financial Sustainability		30
Positive cash flow for 55 years	30	
Positive cash flow for 50-55 years	25	
40-50	20	
30-40	15	
<30 years—Does not meet threshold	0	
Development Team Experience		20
Developer >= 3 comparable projects completed with positive cash flow validated with financial statements	8	
Developer 1-2 comparable projects completed	7	
Development Consultant with 3 or more completed projects	2	
Property Manager – 5 or more years of property management experience with comparable projects	7	
Architect 5 or more completed projects	5	
Project Readiness		20
Site Control	10	
Plans are ready to issue permit	5	
Plans submitted to local jurisdiction for review	3	
Conceptual plan	1	

Committed Funding Sources	5	
Affordability		15
In perpetuity	15	
55 year term minimum	10	
< 55 years (Threshold requirement)	0	
Project Size		10
26-39 units	10	
11-25 units	7	
1-10 units	5	
Site Amenities		5
Total		100

Bonus Points:

- 3 Points - Evidence of Residents at High Risk of Displacement
- 5 Points - CLT has up to 50% interest in the ownership entity.
- 7 Points - CLT has 51% or greater interest in the ownership entity



DEFINED TERMS

“Community Land Trust” means a non-profit corporation within Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following:

1. Has as its primary purposes the creation and maintenance of perpetually affordable single-family or multifamily residences;
2. All dwellings and units located on the land owned by the non-profit corporation are sold to a qualified owner to be occupied as the qualified owner’s primary residence or rented to Lower Income Households or Moderate Income Households, or held by the non-profit corporation or transferred to another entity for the same purpose;
3. When a dwelling or unit that is situated on land owned by the non-profit corporation is sold to a qualified owner, the land is leased by the non-profit corporation to the qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years;
4. Is organized as a membership organization under section 5310 of the California Corporations Code, provides for the election of a majority of its Board of Directors by its members, and reserves seats on the Board of Directors for residents of dwellings situated on land owned by the non-profit corporation; and
5. Operates in a manner that ensures retention of public subsidy for future households, permanent affordability, and protection of land from real estate speculation.

“LACAHS NOFA Rate Chart” means the following table of indicative interest rates and assumptions for the Senior Loan based on the term length, as calculated under the methodology referenced in each Product’s Term Sheet and fixed “as-of” a stated date for use in comparing projects applying to for financing under this NOFA.

SLGS Daily Rate Table

SLGS TABLE FOR USE ON February 5, 2026

Demand Deposit Rate

Annualized Effective Rate	Daily Factor
2.83%	0.000076460

<https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm;jsessionid=4A50439A4E3903E5BEDD5A9A481EB5B1>