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

Updated: August 19, 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 LACAHSA.

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 (LACAHSA) 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 LACAHSA, which provides below market interest rates. The Senior Permanent Loan is structured as a fully-amortizing loan, and LACAHSA will also provide a Subordinate B-Note Loan that is subordinate debt payable from remaining cash flow. Borrowers also can pursue grant funds through LACAHSA. Below provides more details.

Program Term	LACAHSA Description
Program Description	The LACAHSA CLT/NOAH Program selects qualified Borrowers to acquire and rehabilitate existing vacant or occupied single- or multi-family properties, providing low-interest loans, subordinate, repayable gap financing, and grants to County of Los Angeles developers. The program supports affordable rental, cooperative and rental-to-cooperative housing for lower income households.
Eligible Borrowers	• Community Land Trusts (CLTs) • Non-profit affordable housing developers that are developing small affordable housing with less than 40 units that are in

	documented partnership with a CLT as a partial owner • Limited equity cooperatives or permanent real estate cooperatives that are in a documented partnership with a CLT as a partial owner • Public entities Public housing authorities
Experience Requirements	• Applicants must have acquired and completed at least three (3) residential developments if acquisition/rehabilitation or new construction 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 LACAHSA review and approval. If an applicant does not meet the criteria for experience listed above, applicant must meet one of the requirements set forth below: • Enter into a contractual agreement with an experienced housing development consultant or developer with at least three (3) acquisition or rehabilitation or new construction 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 LACAHSA. • 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.
Eligible Projects	Acquisition only, or acquisition/rehabilitation of unsubsidized residential properties less than 40 units • Tenure Types:

	○ Affordable rental ○ Shared or limited equity resident shareholder ownership in a cooperative ○ Affordable rental-to-cooperative projects • Target Populations: Multifamily, seniors, special needs groups The new construction of Accessory Dwelling Units (ADUs) tied to an existing building may also be eligible for CLT/NOAH Program funding and will be evaluated for feasibility on a case-by-case basis. Scattered site properties within 5-mile diameter may be proposed as defined by the California Tax Credit Allocation Committee.
Ineligible Uses	The following projects are NOT eligible under the CLT/NOAH Program and are encouraged to apply under the LACAHSA Production & Preservation NOFA. ○ Acquisition-only ○ Rehabilitation or New Construction-only ○ Transitional housing ○ Permanent relocation or evictions ○ Capitalized operating reserves
Rehabilitation Requirements	Projects anticipating rehabilitation must carry a minimum contingency of 20% of hard costs at project application, which *may* be reduced to 15%, as approved by LACAHSA. The rehabilitation must prioritize health and safety improvements, accessibility, and structural rehabilitation needs, including: • Correction of health and safety hazards, immediate health deficiencies and/or code violations • Accessibility Improvements Rehabilitation activities such as roofing replacement, seismic strengthening, foundation, drainage, exterior wall restoration

	and painting, energy efficiency improvements, electrical and plumbing system improvements are allowed. Other rehabilitation scope of work is subject to LACAHSA approval. A 10% retention shall be included in the construction contract, to be released upon successful completion of rehabilitation and new construction 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.
Award and Funding	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 LACAHSA, evidencing adequate progress towards completion of project. The Senior Construction/Permanent Loan will fund acquisition and rehabilitation and will convert to permanent financing upon stabilization.
Due Diligence and Loan Closing Conditions	Applicants are expected to submit all due diligence requirements to LACAHSA as detailed in the CLT/NOAH Program checklist which includes but is not limited to the following: At Application: • Project description including detail on the development plan • Existing financing commitments • Development team organizational documents including but not limited to 3 years of audited financial statements, and most recent interim financial statement • Property management plan • For joint ventures: draft MOU outlining roles & responsibilities of the partners • Real Estate Owned (REO) Schedule for developer and partner(s) • Project pro forma with 55-year cash flow • Evidence of project readiness (purchase and sale agreement, executed letter of interest, etc.) • Preliminary title report

	• MAI Appraisal • Environmental, Pest, Lead/Asbestos, Mold Reports • Project schedule (including hard deadlines in purchase and sale agreement) • Physical Needs Assessment • All building information provided by the Seller, such as rent rolls, operating budgets, utility expenses, commercial leases, building inspection reports etc. • Rehab estimate produced by a qualified cost estimator or general contractor Closing Conditions for Acquisition/Predevelopment: • ALTA survey (as need indicates) • Zoning assessment Funding Conditions for Construction: • Seismic assessment • Sewer lateral • 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 <u>Post-Closing Prior to Start of Construction:</u> • Contract Compliance Approval • Pre-Construction Meeting
Post Closing Due Diligence Documentation	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
Developer Fee	<u>Acquisition Developer Fee</u> • Developers are entitled to a flat acquisition fee of 12% of acquisition cost or $100,000, whichever is less. <u>Construction Developer Fee</u> • Projects undertaking rehabilitation or new construction 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. <u>Developer Fee Guidance</u> The following developer fee guidance applies: • Acquisition Developer Fee plus the Construction Developer Fee (as applicable) as described above • $150,000 consultant fee, which is separate from the Developer Fees and must cover all phases of work and all

	ancillary fees • These fees are exclusive of the allowed construction manager fee if rehabilitation or new construction is included in the work Incentive Developer Fee • 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.
Maximum Income Levels	Rental Units: • For occupied units and vacant units, 10% of units shall target 30% AMI, 10% shall target 50% AMI and the balance of units can target up to 120% AMI. • 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 LACAHSA 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. Cooperative Projects: • 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. *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.*

	LACAHSA funding cannot be used to pay for evictions.
Reserves	• 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 • 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	• 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	• 0.75% of total loan amount
Lender Closing Costs	• Borrower to pay LACAHSA legal and advisory costs at closing (capped at $7,500).
Plan and Cost Review/ Monitoring Costs	• 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	• Developers should include property and asset management fees in their annual operating budgets set at levels that reflect industry standards for the size of the building and that will ensure appropriate maintenance and management of the building. *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.*
Annual Permanent	• Rental and rental-to-cooperative projects: Base Fee of 5 basis points of loan amount with a 2% annual escalation

Financing Monitoring Fees	factor. • Rent-to-own projects: Base Fee of 5 basis points of loan amount with a 2% annual escalation factor
Compliance Monitoring and Reports	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 required to submit reports as follows: • Annual reports including information described in the Regulatory Agreement or Affordability Agreement as applicable • Quarterly reports during the rental term
Record Keeping	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.
Insurance Requirements	Prior to loan closing, developer will be required to submit evidence of insurance coverage that meet LACAHSA's requirements then in effect and as required for the proposed project as outlined in the Loan Agreement.
Resident Engagement and Training Requirements	At application, Borrower is required to submit a high-level resident engagementplan 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.
Fair Housing and Accessibility	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.
Application Process and Loan Commitment	Projects must follow the application process as outlined in the 2026 LACAHSA CLT/NOAH Program. If an application is approved, LACAHSA 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.
Cooperative Conversion	Prior to acquisition, CLTs seeking conversion of buildings to a cooperative ownership are required to submit the following to LACAHSA:

Requirements, if Applicable	• A proposed timeframe and resident engagement and training plan for the cooperative conversion Prior to proposed transfer to resident ownership, CLT is required to submit the following documentation to LACAHSA: • At acquisition, evidence that at least 75% of residents agree to the acquisition and eventual conversion to a cooperative building. • 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
Labor Requirements	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.

	Senior Construction/Permanent Loan	**Subordinate B-Note**	**Matching Grant**
Eligible Uses	May be used for acquisition,	May be used for gap financing to cover:	May be used for gap financing to cover:

	predevelopment and construction. • Option fees and purchase costs • Acquisition • 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. LACAHSA will also retain its own 3rd party construction manager to review proposed construction 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.	• Operating reserves (6 months of debt service, replacement reserve, and operating expenses) • Any costs not covered by the Senior Construction/Permanent Loan	• Any Costs not covered by the Senior Construction/Permanent Loan or Subordinate B-Note

	Projects with 4 or fewer units assume $5,000 for cost review and $500/month for monthly inspections. (Costs are subject to change). • Rehabilitation hard costs and hard cost contingency • Construction/permanent financing fees, legal fees, and reserves • 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 and/or new construction of affordable multifamily housing in the County of Los Angeles (County).	Provides Subordinate B-Note loans for the acquisition and rehabilitation and/or new construction of affordable multifamily housing in the County.	Provides a Matching Grant for the acquisition and rehabilitation and/or new construction of affordable multifamily housing in the County.
Maximum Amount of Funding **($7.5MM in aggregate)**	• Minimum DSCR: 1.20 for Senior Loan • Maximum DSCR: Not to exceed approximately 1.75 at Year 15 • Developers seeking a variance from DSCR standards may consult with LACAHSA to	• Lesser of: ○ 90% LTC on a combined basis where LACAHSA provides subordinate financing.	• If the LACAHSA Senior Loan and Subordinate B-Note are insufficient to pay for total project cost, LACAHSA provides a 1:1 match for other subsidy or developer equity up to 5% of TDC.

	discuss project specifics		
	• Combined, the Senior Loan and B-Note cannot exceed 150% LTV. Additionally, 1.05x minimum stabilized DSC on all permanent must-pay debt.		
Term	55 years	Minimum of 55 years. Perpetuity for the CLT / NOAH Program is defined as 99 years.	N/A
Amortization	Interest only during the construction 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 cash flow when adequate cash flow is available for distribution. 100% of Net Cash Flow to repay deferred developer fee to the nonprofit developer until paid in full. 50% of remaining cash flow to repay LACAHASA current interest payment, accrued interest, and principal until all is repaid. Any remaining proceeds payable to the nonprofit owner.	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 Construction 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: • 1.20 DCR	For a minimum of 90 consecutive days, project shall meet the following: • 1.20 DCR	N/A

	• Minimum 90% occupancy	• Minimum 90% occupancy	
Prepayment Lockout/Penalties	None	None	N/A
Security	1st lien on real property.	Junior lien on real property (preferably second position). LACAHSA will subordinate to other senior lenders. For other residual receipts lenders, a pari-passu lien will be required. LACAHSA will not subordinate affordability covenant.	N/A
Repayment Terms	Principal and interest due at maturity.	Repayment of the LACAHSA note during the term will be from 50% of available cash flow after payment of operating costs, compliance fees, reserves, senior debt service, and developer fee. Unpaid interest will accrue.	N/A
Construction Period	3 years from acquisition.	3 years from acquisition.	
Documents	• 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,	Same as Senior Permanent Loan.	Grant Agreement

	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) • Subordination Agreement(s) with other lenders as applicable • Sponsor Repayment and Completion Guaranty LACAHSA will not subordinate its Regulatory Agreement or Affordability Covenant to private lenders.		

Weighting of LACAHSA CLT/NOAH Program Scoring Categories

Category		Points
Financial Sustainability		**25**
Positive cash flow for 55 years Positive cash flow for 50-55 years 40-50 30-40 <30 years—Does not meet threshold	25 20 15 10 0	
CLT Ownership		**5**
CLT has up to 50% interest in the ownership entity	3	
CLT has 51% or greater interest in the ownership entity	5	
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 (Projects that do not require substantial rehabilitation will be awarded full 5 points)	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**
The project is located where there is a bus rapid transit station, light rail station, commuter rail station, bus station, or public bus stop within 1/3 mile from the site with service at least every 30 minutes (or at least two departures during each peak period for a commuter rail station or ferry terminal) during the hours of 7-9 a.m. and 4-6 p.m., Monday through Friday	3	
The site is within 1/4 mile of a full-scale grocery store/supermarket, library public park or school	2	
Total		**100**

Bonus Points*:

3 Points - 50%+ of occupants with incomes at or below 40% AMI

3 Points - Buildings Enrolled in REAP (City of LA) or equivalent program in other jurisdictions

3 Points - Buildings w/ Building Code Citations

3 Points – Project located in areas of Altadena, Pasadena, Pacific Palisades or Malibu affected by the 2025 wildfires

3 Points – Third party reports or documentation explaining elevated displacement risk for existing residents (eviction filings, Ellis Act activity, expiring affordability restrictions, etc.)

*If any of the above Bonus Point Items applies, Applicant earns a maximum of 3 Bonus Points

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. It is an organization with IRS 501(c)(3) status;
2. It may contain more than one purpose, but at least one primary purpose is creating and maintaining permanently affordable housing;
3. All housing units on CLT land are rented as low or moderate-income housing, or sold to otherwise-qualified owners; and
4. It uses 99-year renewable ground leases to keep housing that is sold permanently affordable.
5. Is legally a "membership organization" under state law;
6. A majority of its directors are elected by members;
7. It reserves seats on its board of directors for residents of housing on CLT land; and
8. It operates in a way that retains public subsidy long-term.

"LACAHSA 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 August 4, 2026

Demand Deposit Rate

Annualized Effective Rate	Daily Factor
2.95%	0.000079656

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