



Investor Loan Program Description

Loan Type: Acquisition, construction, bridge, rehab, mini permanent

Eligible Borrower:

- For-profit developer with track record of developing affordable housing for either rental or homeownership. Developer should have a minimum of 2 years experience and 5 properties developed or under management. Developer must have a demonstrated record of producing quality renovations and maintaining properties under management (a third party inspection will be conducted).
- Strong preference for developers based in New Haven or nearby towns, with local property management capacity. Non-local investors must demonstrate established relationship with local property management firm.
- Must be clear of unresolved city code violations; if there is a history of code violations, investor must demonstrate timely response in addressing violations. If located in New Haven, investor must be in compliance with city's rental registration program;
- Must have a demonstrated desire and commitment to engage with the community and respond to community concerns.
- Priority to developers who incorporate energy-efficient rehab practices.
- Must show financial capacity (as evidenced by financial statements, credit reports, tax returns, rent rolls, etc.)

Eligible Properties:

- 1-4 Family – Multi-Family Residential Properties
- Properties located in low-moderate income census tracts, with priority to properties in close proximity to investments by Loan Fund, City of New Haven, and other nonprofit partners.
- Properties located throughout the Greater New Haven community with demonstrated income restrictions and affordability mechanisms.

Affordability:

- If housing is in a low-moderate income census tract, then no affordability restrictions
- If housing is not in a low-moderate income census tract, affordability restrictions may apply

To determine if a property is located in a Low-Moderate Income (LMI) census tract, use the search tool located here: <http://www.ffiec.gov/Geocode/default.aspx>. Enter the property address, click "search," and then click "get census demographic."

Loan Amount: \$25,000 - \$250,000+

Term: 12 months for construction/Up to 36 months for permanent

Interest Rate: 7-8% based on cost of funds

Amortization: interest only for short-term loans; 20 years for longer term loans

LTV: Up to lesser of 80% of after improved appraised value or 80% of cost.

Debt Service Coverage: Minimum 1.2

Loan Repayment: permanent mortgage, cash flow

Collateral: First lien on financed property; personal and corporate guarantees will be required.

Fee: 2 pts