



## CHFA/GNHCLF Multifamily Loan Program Description

**Loan Type:** Acquisition with construction, construction, construction to permanent financing

**Eligible Borrower:**

- Non-profit or 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 3 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, audits, etc.)

**Eligible Properties:**

- Vacant and/or blighted Multi-Family Residential Properties – 3-20 units
- 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 at 80% ami

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:** up to \$600,000+

**Term:** up to 24 months during construction/up to 240 months during permanent term

**Interest Rate:** 4-6% based on size of loan and GNHCLF cost of funds (currently 4.5%)

**Amortization:** interest only during construction period; fully amortizing during permanent period

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

**Debt Service Coverage:** Minimum 1.2

**Loan Repayment:** monthly interest payments during construction; cash flow of property

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

**Fee:** 2 points

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