Housing Partnership Fund Lending Products

Product	Description	Loan Amount[1]		Average Loan Length	Security/Collateral[3]
		Min	Max	(in months)	
Enterprise Development Loan	Designed to support members' strategic initiatives; not tied to a specific real estate project, giving members maximum flexibility. This product can serve as start-up or expansion capital for new business initiatives, working capital for organizational liquidity, or predevelopment/acquisition capital.	$500,000	$2,000,000	36	Unsecured or partially secured by alternative collateral
Acquisition Loans	Supports land and building acquisition, as well as construction and rehab costs on residential rental, commercial and mixed-use properties. Loans secured by underlying asset as a first mortgage or subordinate lien. Loans to be paid back upon securing permanent financing.	$500,000	$10,000,000	36	Secured by project-level real estate collateral. Flexible Loan to Values!
Predevelopment Loan (These loans can be term, semi-revolving or tranched draw down)	Supports the full range of predevelopment costs and can also support site acquisition. Both predevelopment and site acquisition loans are usually repaid at construction closing. Predevelopment loans are typically unsecured while site acquisition loans are typically secured with a lien on the subject property.	$500,000	$5,000,000	36	Unsecured or secured by project-level real estate collateral
NMTC Leverage Source Loan	This loan product is designed to provide capital for members to invest as leverage in HPN's Homeownership NMTC program.	$1,000,000	$8,000,000	24-36 Months	(a) a pledge in borrower's ownership interest in the leverage lender entity, (b) assignment of distributions from the leverage lender, and (c) assignment of the Promissory Note signed by the Investment Fund to the Leverage Lender.

[1] *Loan commitments greater than $3MM are possible with participation partners*

[2] *Rates are subject to change based on the source of capital*

[3] *Alternative collateral is defined as collateral not specifically tied to the underlying project. This could be a security interest in unencumbered real estate owned by the borrower or pledge of cash flow (developer fee, property mgt fee, seller notes, etc.).*

For More Information Contact:

Ben Greenberg, Director of Lending

Greenberg@housingpartnership.net

216-702-7666

Member Loan Spotlights

Aeon - Carrington Apartments - $3MM

"Aeon is committed to stem the loss of NOAH affordable housing. Partners like Housing Partnership Network, Inc., and CHC are critical for our ability keep hundreds of families from losing their homes." - Blake Hopkins, Vice President Housing Development, Aeon

HPN originated a 95% LTV, 3-year $2 million participation in an $8,700,000 acquisition loan led by Community Housing Capital (CHC), a colleague CDFI. In addition, **HPF originated a second loan, a 3-year $1 million unsecured Enterprise Loan to provide immediate project working capital** to be used as equity in the project. This capital will fund immediate unit repairs and support holding costs until Carrington Apartments is repositioned and achieves permanent financing. The Enterprise Loan is designed to support Carrington Apartments, but as that project cycles to permanent financing and the acquisition loan repays the $1 million Enterprise Loan, it will be used to support Aeon's other real estate development activities.

Aeon is using the combined loan proceeds to preserve Carrington Apartments, a 128 unit naturally affordable rental housing development in the Minneapolis, MN suburb of Brooklyn Center. Built in 1965, this existing rental housing was in imminent danger of being converted to market rate housing by private sector developers by simply updating and replacing the unit's original kitchens and baths. By maintaining as-is and improving modestly over time, Aeon will gradually increase rents up from the current 50% AMI rents to 60% AMI rents.

What makes this project unique is Aeon's commitment to completely eliminating current tenant displacement by phasing in rental increases of 5% per year up bringing the project to 60% affordability. When coupled with a phased reduction in real estate tax savings over two years, the project presents initially with negative operating earnings increasing to positive and then robust over several years.

Wesley Housing Development Corporation - Arden Apartments - $7.1MM

"As members of HPN, we value our multi-faceted partnership. HPN's ability to step up and finance the acquisition of the Arden allows us to close earlier than anticipated and improves the project's feasibility." - Shelley Murphy, President and CEO, Wesley HDC

HPN originated a $7.1 million loan with the help of our colleague CDFI's, Capital Impact Partners (CIP) and Virginia Community Capital (VCC) to Wesley Housing Development Corporation (WHDC). WHDC used the loan proceeds to purchase four vacant duplex homes and one partially occupied apartment building on 1.04 acres in Alexandria, VA for redevelopment into a mixed-use 126 unit affordable rental development contained in two adjacent 7 story buildings utilizing both 9% and 4% LIHTCs.

WHDC had a long-standing purchase and sale agreement on the property at a discounted price that had been extended several times. Because the agreement only gave WHDC 45 days to acquire once they received a 9% competitive low income housing tax credit award, WHDC needed a committed high leveraged (90%) acquisition loan from a lender who could fund a loan of this size, was willing to be patient until award announcement, and could move quickly to close in 45 days. Other lenders were either too small to finance the acquisition or unwilling to commit until the project was a "go" with funding. HPF, with our colleagues, CIP and VCC, were glad to support WHDC. WHDC received the credits in June 2018 and successfully purchased the project and used the high loan to value leverage to fund Arden's preconstruction expenses. Construction start on this much needed 126 unit project is estimated for mid to late-2019

Champlain Housing Trust - Cambrian Rise Condominiums- $2.2MM

"Housing Partnership Fund's commitment to new and affordable home ownership, in partnership with CHC, provided a solid base for this ambitious and needed opportunity." - Michael Monte, Chief Operating and Financial Officer, Champlain Housing Trust

HPF originated a 3-year, $2.2 million participation in a $4.4 million acquisition loan led by Community Housing Capital (CHC), a colleague CDFI. Champlain Housing Trust (CHT) will use the funds to purchase, as a package deal, 28 units in a newly constructed 107 mixed income residential condominium development in Burlington, VT. The 28 units will be completed in late 2019 or early 2020 and then immediately resold to moderate income individuals and families earning between 80% and 100% of AMI. These units, plus a LIHTC project separately developed by CHT, will serve as the affordable component in a master redevelopment plan of the former Burlington College, a 27.5-acre development site next to Downtown Burlington and adjacent to the Champlain River.

CHT needed the financing commitment for the 28 units as part of the private developer's presale requirement allowing the developer the ability to obtain construction financing for the entirety of the 107 unit Cambrian Condo development. An additional requirement of the discounted purchase price which makes the units affordable was that CHT acquire all 28 units in a single package within 30 days of receipt of the certificate of occupancy. This flexible acquisition loan's underwriting focused on CHT's lengthy history of successful condominium development and the significant untapped demand for affordable, for-sale assets in Burlington, VT.

Champlain Housing Trust - Enterprise Loan -$1MM

"Housing Partnership Fund's Enterprise loan and technical support during underwriting is providing a solid base for CHT's development pipeline." - Michael Monte, Chief Operating and Financial Officer, Champlain Housing Trust

Champlain Housing Trust (CHT) will use this 3-year unsecured $1 million Enterprise Loan to expand its real estate development pipeline specifically supporting predevelopment activities for both affordable for-sale and rental developments. The loan is structured as non-project specific and allows CHT maximum flexibility and decision making on when and how to use its additional Real Estate Development line of business capital. This facility was originated with HPF participating partners National Housing Trust-CDF and Partners for the Common Good.

BRIDGE Housing Corporation - Loan Facility - $2.5MM

"In this era of scarce resources and unprecedented demand for housing, developers need every tool in the box. The Housing Partnership Fund provided a flexible layer of financing that will allow RiverPlace to move forward and bring hundreds of mixed-income apartments to Portland." - Cynthia Parker, President and CEO, BRIDGE Housing

When the team at BRIDGE Housing Corporation developed the concept for RiverPlace Parcel 3 and won the right to purchase the land from the city of Portland Oregon, they had an uphill climb to find predevelopment funds. The project is ambitious, a mixed-income, mixed-used development with 203 affordable housing units, and 177 market rate units over 2 properties. But big projects come with big price tags and in this case, BRIDGE was facing nearly $8 million in predevelopment costs.

The project was big enough that they weren't looking for a standard HPF loan. Instead, working with HPN's lending team, BRIDGE received a $2.5 million unsecured loan intended specifically for RiverPlace. HPN provided $2 million of the funding, and brought in another HPN member, Low Income Investment Fund (LIIF), to participate in the remaining $500,000. The City of Portland and BRIDGE itself are providing the additional funds needed to meet the predevelopment budget.

Wesley Housing Development Corporation – Loan Facility - $4MM

"The HPF Loan Facility allowed us to simultaneously address several strategic objectives: 1) pursue new development opportunities within our pipeline; 2) maintain our working capital for core operating activities and; 3) solidify our balance sheet to maintain organizational flexibility. The loan product and its flexibility is a key component to allow us to increase our impact on the communities and residents we serve." Shelley Murphy, President and CEO, Wesley HDC

Wesley Housing Development Corporation will use these funds to support the predevelopment costs of their robust development pipeline of multifamily properties in Northern Virginia. After initially discussing an unsecured Enterprise Development loan structure with the borrower, the structure was modified to a collateralized line of credit to allow a larger facility amount than would be available on an unsecured basis.

For additional information contact Ben Greenberg at greenberg@housingpartnership.net or 216-702-7666.