

Greensboro Housing Fund

We underwrite each project individually, but the information below provides a point of reference for fund loan parameters.

The Key Maker: Permanent Mezzanine Financing for Affordable Housing Properties		
Description	The Greensboro Housing Fund Key Maker product, administered by Self-Help Ventures Fund, is designed to provide subordinate (mezzanine) financing which, when combined with market rate senior debt, preserves affordability of Naturally Occurring Affordable Housing (NOAH).	
Eligible Borrowers	Sole proprietors, partnerships, LLC's, corporations, nonprofit or for-profit entities. Borrowers must have recent, relevant, affordable housing development experience.	
Eligible Purposes	Acquisitions or refinance and, if needed, rehabilitation of existing affordable housing. Construction of new affordable housing will be considered. Properties must be located within the City of Greensboro, North Carolina.	
	Nonprofit or Certified MWBE Developers	For-Profit non-MWBE Developers
Additional Financing	A minimum of \$250,000 and up to the lesser of: (1) \$8,000,000 or (2) 25% of the appraised value (appraised value cannot exceed purchase price for the acquisition projects without renovation) -where value is the lesser of cost or value. Maximum combined loan to value for all debt is 95%.	A minimum of \$250,000 and up to the lesser of: (1) \$8,000,000 or (2) 20% of the appraised value (appraised value cannot exceed purchase price for the acquisition projects without renovation) -where value is the lesser of cost or value. Maximum combined loan to value for all debt is 90%.
Affordability Definitions	Affordable rental units must serve households at or below 80% Area Median Income (AMI), with a preference for serving households at or below 60% AMI and avoiding displacement of existing low-and-moderate income tenants. Affordability is based on households paying no more than 30% of gross income on housing related expenses. Mixed income developments are eligible and will be considered on a case-by-case basis based on the level of affordability proposed.	
Term	Up to fifteen years. Payments will be interest only during the term.	
DSCR	Projected Debt Service Coverage Ratio (DSCR) of 1.1:1.0 during the loan term based on all loans.	
Pricing	The interest rate will be fixed for the term of the loan at 3.50%. A non-recourse product option with no personal guarantees is available with an interest rate of 5.0%; waived for projects incorporating new LIHTC equity.	
Prepayment	No prepayment premium	
Fees	- Origination fee: 1.0%, half due as commitment fee upon approval of loan. - Application fee: \$2,500, non-refundable & due prior to underwriting, credited against origination fee.	
Guaranty	- A payment and performance guaranty are required of the corporate parent(s) or sponsor of the borrower and principals of any for-profit borrower, corporate parent or sponsor. - Borrowers may select the non-recourse/no personal guaranty option with the higher interest rate.	
Capital Asset Replacement Account	Not less than \$300 per residential unit per year; can be waived if already required by the first-lien lender.	

Loan inquiries contact Sarah Delamar : sarah.delamar@self-help.org

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***LTV restriction refers to the Fund loan only. CLTV is based on all loans pari passu or senior to the Fund loan; excluding loans with lower lien position.**