

TERM SHEET: Predevelopment Loans

PURPOSE	Early-stage capital for design, engineering, application fees, third-party reports, consultants, etc.
PROPERTY TYPES	Affordable multifamily rental, supportive housing, naturally occurring affordable housing, workforce housing, mixed-income housing, mixed use properties.
ELIGIBLE BORROWERS	Nonprofit or mission-aligned for-profit corporations, and limited partnerships, single asset entities and joint venture partnerships comprised of such entities, with a track record of developing affordable housing.
GEOGRAPHY	Alameda, Contra Costa, Marin, Monterey, Napa, Sacramento, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and San Joaquin counties
LOAN AMOUNT	<ul style="list-style-type: none"> Up to \$3,000,000 (real estate-secured) Up to \$1,000,000 (unsecured)
TERM	Up to 3 years, including extensions.
INTEREST RATES	Fixed interest rate: 5% – 6%
APPLICATION FEE	\$15,000 non-refundable application fee (will be applied to origination fee at loan closing)
ORIGINATION FEES AND THIRD-PARTY COSTS	<ul style="list-style-type: none"> 1.5% for loan amounts up to \$1,500,000 1.25% – loan amounts over \$1,500,000 up to \$3,000,000 Borrower is responsible for lender’s legal fees and all third-party costs
INTEREST PAYMENTS & REPAYMENT OPTIONS	Interest only, payable monthly
SECURITY	Loans may be: <ul style="list-style-type: none"> Unsecured, Secured by real estate, Secured by other pledges/assignments
LOAN-TO-VALUE	Up to 80% of the as-is appraised value for real estate secured loans.
THIRD PARTY REPORTS	May include FIRREA-compliant appraisal, Phase I environmental assessment, geotechnical survey, property condition report, plan and cost review for proposed scope of work, and other reports as required by Lender.
FUTURE DEVELOPMENT PLAN	Required underwriting materials may include letters of interest from other funding sources, including market-rate and subsidized debt and equity providers.
ZONING	Evidence that the project, as proposed, is permissible under applicable zoning ordinances or regulations. Alternatively, Lender may consider a realistic proposed plan of action for making the project permissible under applicable zoning regulations.
CLOSING	Usually 90 days from initial conversation, depending on timely receipt of due diligence materials from Borrower
RECOURSE	To Borrower
GUARANTOR	Sponsor, parent company, and/or personal guaranty, subject to underwriting
COVENANTS	Standard for this loan type. All loans will include project milestones to be met with regard to architectural work, filing plans, entitlements, funding applications, etc.
PRE-PAYMENT PENALTY	None

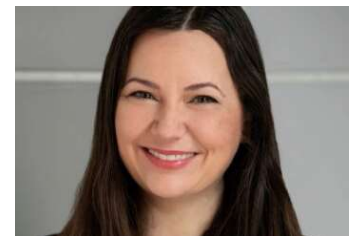
This term sheet does not constitute a commitment to lend or borrow or an agreement to issue or accept a commitment on these or any other terms or to arrange any financing and shall not create a binding or legally enforceable obligation. The terms contained herein are a summary and are not all-inclusive.



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