



## CONVENTIONAL EQUITY

### To Support the Acquisition & Rehabilitation of Multifamily Properties

<b>Eligible Sponsors</b>	<p>For-profit or not-for-profit housing developers or subsidiaries thereof (the “Sponsor”) with substantial prior experience and a demonstrated track record of successfully owning and operating multifamily properties. Sponsors must be financially strong, with a minimum of \$1 million in liquidity and \$5 million in net worth.</p>
<b>Eligible Projects</b>	<ul style="list-style-type: none"> <li>▪ Existing multifamily residential rental projects with 100 or more units, a minimum current occupancy rate of 80%, and a projected debt coverage ratio of at least 1.30.</li> <li>▪ Properties may be restricted affordable housing (LIHTC, Section 8, etc.) or may be unrestricted workforce housing.</li> <li>▪ Projects will generally have rents for at least 50% of their units maintained at levels which make them affordable to households at or less than 80% of the area median income.</li> <li>▪ Properties will generally be “B” and “C” class with potential for improvement and more efficient operations.</li> </ul>
<b>Social Impact</b>	<ul style="list-style-type: none"> <li>▪ Stabilize, reposition and enhance multifamily properties by completing capital improvements and implementing quality property management</li> <li>▪ Preserve existing affordable and workforce housing properties for long-term stewardship and affordability</li> <li>▪ Green eligible projects through low cost/high impact strategies</li> <li>▪ Promote resident success through social services</li> </ul>
<b>Eligible Uses of Proceeds</b>	<ul style="list-style-type: none"> <li>▪ Acquisition contract price</li> <li>▪ Immediate capital improvements</li> <li>▪ Financing costs, soft costs and capitalized reserves</li> </ul>
<b>Investment Size</b>	<ul style="list-style-type: none"> <li>▪ Minimum investment of \$1 million and maximum investment of \$5 million per project</li> <li>▪ Average investment of \$2.5 – \$4 million per project</li> <li>▪ Enterprise investment may be used in conjunction with Enterprise loan products, which would not be included in these maximum and average amounts.</li> </ul>
<b>Ownership Structure</b>	<p>The Sponsor and Enterprise will purchase property on a joint venture basis. The ownership entity will be subject to an Operating Agreement, which will delineate roles and responsibilities of the Administrative Member (generally an affiliate of the Sponsor) and the Co-Member (Enterprise).</p>

<b>Sponsor Co-Investment</b>	The Sponsor will be responsible for investing a minimum of 10% – 20% of the total equity that is required. The balance of the equity required will be provided by Enterprise.
<b>Allowable Debt</b>	The projects will be financed primarily (maximum 80% LTV) by permanent debt programs such as FHA, Fannie Mae and Freddie Mac. These loans will be secured by the property and will be on terms and in amounts acceptable to Enterprise. Enterprise will not guarantee these loans. Interest only and variable rate debt products will be considered.
<b>Term of Investment</b>	5 – 7 years; shorter or longer business plans will be considered on a case-by-case basis.
<b>Target Return</b>	Target returns and cash flow waterfall provisions will be negotiated on a case-by-case basis, based on the risk/return profile of the investment, geographic location and strength of the real estate market. Please contact Enterprise for additional information.
<b>Distributions</b>	<ul style="list-style-type: none"> <li>▪ Distributions will first be made according to ownership interests until the Preferred Return has been achieved.</li> <li>▪ Sponsor will thereafter be entitled to a priority distribution of 10% – 30% of cash flow based on return hurdles achieved; the balance will be distributed according to ownership interests.</li> <li>▪ Enterprise’s original capital contribution will be returned upon sale or refinancing and any surplus proceeds will be distributed between the Sponsor and Enterprise based on the resulting IRR.</li> <li>▪ Cash flow distributions will be required on the most frequent basis permitted by the lender, typically quarterly.</li> </ul>
<b>Due Diligence</b>	<p>The following due diligence is required for Enterprise to preliminarily assess an investment in a particular project:</p> <ul style="list-style-type: none"> <li>▪ Acquisition &amp; Operating Budgets</li> <li>▪ Three Years Audited and Trailing 12 month Financial Statements</li> <li>▪ Current Rent Roll</li> <li>▪ Offering Memorandum, if available</li> <li>▪ Summary of Investment Strategy</li> </ul>
<b>Reporting</b>	Enterprise will require monthly occupancy and unaudited financial statements, annual audited financial statements, and annual tax returns.

**Contact Us:**

Chris Herrmann, Vice President, Fund Manager  
212.284.7191  
[cherrmann@enterprisecommunity.com](mailto:cherrmann@enterprisecommunity.com)

Lianna Petroski, Director  
212.284.7147  
[lpetroski@enterprisecommunity.com](mailto:lpetroski@enterprisecommunity.com)

Disclaimer: This is not an offer to invest. This is a product sheet for investment by Enterprise or its affiliates in eligible projects. Any decision to invest in Enterprise funds should only be made after careful study of the Private Placement Memorandum of the Fund, including the risk factors set forth therein and all other offering documents referenced therein.