Eligible Borrowers | Nonprofits, for-profits, public agencies within California, and joint ventures comprised of these entities, with a track record of developing affordable housing.

Eligible Uses of Proceeds | To finance property acquisition and predevelopment costs for the development or preservation of affordable housing projects. Eligible properties include land, existing affordable residential developments, and adaptive reuse developments.

Eligible Projects | Eligible Projects must meet the following criteria:
- Rental developments must be 100% affordable to households earning not more than 60% of AMI.
- Mixed-income residential housing projects are eligible if 75% or more of the units are affordable (as defined above). If less than 75% of the units are affordable, loan amount will be limited to the percentage of affordable units.
- Mixed-use projects are eligible if at least 75% of the total square footage is developed for affordable housing. If less than 75% of the square footage is for affordable housing, loan amount will be limited to the percentage of the project that meets the square footage requirement.

Maximum Loan Amount | Up to $13,950,000 per project.

Loan Term | Up to five years, including extensions.

Interest Rate | Interest rate vary based on loan term. Fixed or variable rate options available. Variable rates are based on LIBOR plus a spread, with floors currently ranging from 4.5% -5.75%. Fixed rates currently range from 6.25% - 7%.

Fees | Up to 2% origination fee plus legal fees. Borrower will be responsible for all third party costs, including appraisal, environmental reports, etc.

Loan-to-Value | For-Profit Borrowers: Up to 95% of the lower of the initial appraised value or the purchase price.
Non-profit Borrowers: Up to 100% of the lower of the initial appraised value or the purchase price to include an allowance for predevelopment expenses.

Collateral | A first deed of trust on the subject property.

Recourse/Guaranty | Full recourse to borrower and guaranty from sponsor.
## Repayment
Interest only during loan term. Principal and all accrued interest due at loan maturity.

## Prepayment
No prepayment penalty.

## Due Diligence Required
- Appraisal based on “as-is” value (and “as proposed” value for operating properties).
- Financial reporting: Three years of accountant-reviewed or compiled financial statements for for-profit borrowers, or audited financial statements for nonprofit borrowers. Year-to-date financials for the current year. Disclosure of unsecured debt and contingent liabilities.
- Development budget, proforma projections of income and expenses, project description, and letters of interest/term sheets from other funding sources.
- Evidence of permissive zoning for the “as proposed” project.