

## Notice of Funding Opportunity: Predevelopment Loan Fund July 2020

### Funding Purpose:

The Predevelopment Loan fund has been created to facilitate development of high quality affordable multifamily rental housing by providing technical assistance and below-market financing for typical predevelopment expenses.

### Eligibility Criteria:

501(c) 3 non-profit organizations, for-profit companies, and public entities including local governments and redevelopment and housing authorities are eligible. The organization must operate in the Commonwealth of Virginia. Preference is given to entities that have closed at least one transaction with Virginia Housing and show at least two years of successful payment history.

### Program Parameters:

Organizations must provide a clear project description for a multifamily REACH eligible development. A maximum of \$100,000 (\$200,000 for Northern Virginia) is available for a specific development. Predevelopment Loans will be unsecured for a 36 month term. The loan may not be used toward general operating expenses, developer fees and activities not connected with the creation and preservation of affordable housing. Applications must specify the sources and uses of funds.

Eligible applicants are considered throughout the program year.

Click the handbook link below for a detailed explanation of the expenses allowed under this funding opportunity, disbursement and reporting requirements.

### Application Process:

Due to funding availability, applications are reviewed on a first-come, first-served basis. All final applications are reviewed monthly by an internal committee.

A Strategic Housing Initiatives program administrator is available to assist applicants with completing the application and performing due diligence associated with obtaining a Virginia Housing loan. **Before submitting an application, contact Luke Tate, Strategic Housing Officer, at (804) 343-5778.**

### Application Requirements:

- Predevelopment Loan Application and attachments
- Evidence of good standing from the Virginia State Corporation Commission
- Audited Financial Statements from two (2) most recent fiscal years and year-to-date financials
- Conceptual Pro forma Analysis with Proposed Sources and Uses.
- Evidence of local jurisdiction support (if applicable)
- Status of development approvals
- Evidence of site control

- Description of the Proposed Development Team or Partners
- Proposed Development Timeline
- Copies of pertinent contracts or agreements (e.g. partnership agreements, appraisal, market study, architectural and engineering reports, etc.)
- Site Plans
- Documentation supporting affordable housing
- Documentation of proposed interim and permanent financing
- W9
- Wiring instructions for the financial institution of the borrower. Include the name, phone number, and email address of the point of contact.
- If a **non-profit organization**, a copy of the organization's 501(c)3 IRS tax exemption letter

### **Approval**

Once submitted, if a loan is approved, applicants will receive a loan commitment and loan closing documents. Disbursement of loan funds will be made via wire transfer at loan closing. The borrower will receive an initial package from Virginia Housing Multifamily Servicing once the loan is disbursed. This package will include information on how to access the borrower's portal to obtain financial information at any time.