

## GALLATIN COMMUNITY HOUSING IMPACT FUND GAP FINANCING

### PROGRAM HIGHLIGHTS

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| Type of Program:          | In partnership with local financial institutions, private sector stakeholders, government, and non-profit organizations a community impact fund has been established to fund housing solutions throughout Gallatin County. The fund purpose is to offer low-interest financing to encourage for-profit and nonprofit developers, investors, and local governments to partner with community housing providers to preserve and expand housing solutions in Gallatin County. |
| Eligible Applicants:      | Applicant can be a for-profit, non-profit, or governmental entity. The property must be held by a Single Asset Entity.   |
| Types of Projects:        | New construction or acquisition/rehabilitation of properties providing housing for rent or for sale. Land acquisition and pre-development are also eligible. Projects or units financed with the fund must serve renter households with incomes no greater than 80% AMI and homebuyer households with incomes no greater than 150% AMI.  |
| Security:                 | Subordinate mortgage   |
| Loan-to-Development Cost: | Program can provide gap financing up to 20% of the total development cost for acquisition, rehab, construction, and permanent financing or up to 35% for land acquisition and/or predevelopment costs.   |
| Loan Amounts:             | Intended to be gap financing for projects. Maximum to any one project is \$1,500,000. Higher amounts may be available if outside sources are allocated to the fund for a specific project or purpose.  |
| Loan Term:                | Up to 40-year amortization. Maximum term of 10-years except for LIHTC projects which may go up to 17 years. Amortizing payments are expected. A period of deferment or interest-only may be offered depending on project needs. Land acquisition and/or pre-development loans interest-only, term not to exceed three years.   |
| Reserve Requirements:     | Escrows to be established for property taxes and hazard insurance, operating reserve, and reserve for replacement by the first mortgage.   |
| Interest Rate:            | Targeted interest rate is 2.00% below the first mortgage for projects with a minimum of a 30-year period of affordability, and 1.00% below the first mortgage for projects with a minimum of a 15-year period of affordability. Interest rate floor is 3.50%. Rate floor for land acquisition and predevelopment is 4.50%.   |
| Origination Fees:         | Total of 1% of loan amount due at closing  |