

**MISSOULA COMMUNITY HOUSING IMPACT FUND
GAP FINANCING**

PROGRAM HIGHLIGHTS

Type of Program:	In partnership with local financial institutions, private sector partners, government, and other non-profit organizations a community impact fund has been established to fund housing solutions throughout Missoula 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 Missoula 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 \$2,000,000. 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.
Exceptions:	Alternative loan rates, terms, and uses may be provided to best meet the needs of the Missoula community and maintain Fund efficacy under the guidance of the Missoula Community Housing Impact Fund Advisory Board, the NWMT REDA Committee, and the NWMT Board of Directors.