

**PARTNERSHIP FOR THE BAY'S FUTURE:
Six Initial Products Offered by the Investment Fund**



Revolving Lines of Credit

Community development organizations often miss opportunities to purchase available property that could be used to create hundreds, if not thousands, of affordable homes due to a lack of timely access to capital that could fund the acquisition process. Projects already in the pipeline also often get stuck because it takes too long to access the necessary capital.

Revolving Lines of Credit will allow small- to mid-sized community development corporations move projects through their pipeline more efficiently, build capacity to take on more projects, and ultimately serve more households. This product will also enable larger nonprofit developers to be more competitive with market-rate developers.

Mixed-Income Mezzanine Loans

Mixed-income apartment buildings (a blend of market-rate and affordable rents) can be a powerful tool to offset income segregation. Currently, there are limited incentives or capital available to support and encourage this type of development.

Mixed-Income Mezzanine Loans with flexible terms—such as lower interest rates to allow for a larger initial loan amount, or a longer term in order to provide time for the project to stabilize—will enable the inclusion of more units for lower-income people. These projects will also provide housing opportunities for the “missing middle” of people who can’t afford market rates but earn too much to qualify as low-income.

Supportive Housing Loans

The number of people experiencing homelessness in the Bay Area has increased over the last decade and include populations in need of supportive services alongside housing such as: people struggling with mental health and addiction, veterans managing lifelong medical issues, adults with disabling conditions, and very low-income families.

Supportive Housing Projects built to specifically target these vulnerable populations can take up to 10 years to complete because of a lack of high-risk capital to bridge the delay between acquisition and completion.

High loan-to-value Supportive Housing Loans for acquisition and predevelopment costs will allow experienced developers to accelerate the development process and get more people experiencing or at risk of homelessness into homes significantly faster than would otherwise be possible.

Preservation Loans

Over 3,500 low-income people in the five-county region live in Low-Income Housing Tax Credit (LIHTC)-and HUD-funded affordable homes that are reaching the expiration of their affordability terms. They are at risk of degrading further because of a lack of incentive and available capital for investors to pay for property maintenance.

Preservation Loans will allow mission-aligned developers to purchase the expiring

properties; renovate and maintain them as high-quality, permanently affordable rental units; and help to ensure low-income people are not displaced due to uninhabitable conditions.

Affordability Stabilization Loans

There is a strong speculative market for purchasing small apartment buildings, increasing rents, and displacing low- and moderate-income people. One of the most effective strategies to protect these tenants is for mission-aligned developers to buy these buildings that do not currently have affordability restrictions and preserve them as permanently affordable for current and future residents with long-term affordability restrictions.

These types of developers, however, do not have access to the low-cost funding that allows them to move quickly and purchase these buildings in the competitive speculative market.

Affordability Stabilization Loans will give mission-aligned developers access to the quick, flexible capital they need to compete in the market, and keep tenants in their homes with reasonable rents they can afford.

Community- and Faith-Based Org. Development Loans

Many faith-based institutions and non-profit organizations have expressed interest in repositioning underutilized real estate into affordable housing. They want to support the community that is struggling with affordability and displacement pressures, including their congregations and clients, but are unable to access early-stage capital needed to get these high-impact projects off the ground.

Community- and Faith-Based Org. Development Loans will enhance these organizations' capacity to produce affordable homes on repositioned real estate, in partnership with mission-aligned, experienced developers.

Please contact BaysFuture@lisc.org if you are interested in learning more.