

LISC NYC Lending:

Predevelopment to Permanent Financing

May 4, 2021



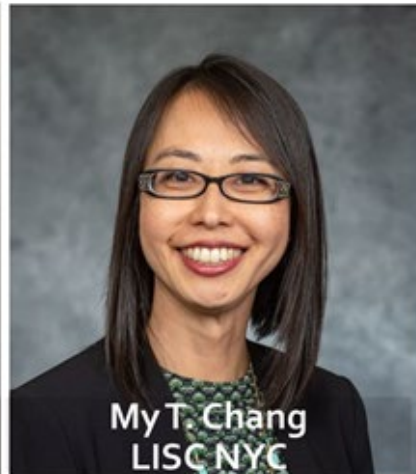
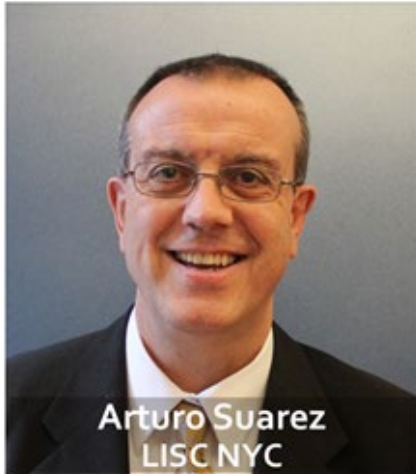
LISC NYC

Agenda

Introduction

- **LISC NYC affordable housing loan products and examples**
 - Predevelopment
 - Construction and NYCERS permanent financing
 - NYC Acquisition Fund
- **LISC NYC economic development loan products and examples**
 - JOE Solar
 - NMTC Leveraged Loan
- **LISC NYC Technical Assistance**
- **Closing**

Speakers



LISC Lending Since 1979

\$21.9 Billion Invested



\$64.8 Billion Leveraged



419,339 Homes

Affordable homes built and/or preserved including:

- Multifamily rental
- Supportive housing for special populations such as chronically homeless, LGBTQ, seniors and veterans
- Affordable homeownership

We also emphasize sustainability through green, healthy housing and transit oriented development.

70.3 Million Square Feet

Square feet of commercial, retail and community space, including:

- Early childhood centers
- Schools
- Fields/recreational spaces
- Healthcare centers
- Grocery stores
- Financial Opportunity Centers

\$374 Million

Total Net Assets

- Net worth has increased 43% in the past 5 years
- Raised \$95 million in private grant funds in 2019

S&P 'AA-' Rating

LISC is the first CDFI to tap the general obligation bond market, with a \$100 million issuance in 2017

LISC Lending Products & Projects



Predevelopment



Acquisition



Construction



Mini-Permanent



Permanent



Bridge



Lines of Credit (includes Working Capital,
Project Based and Revolving)



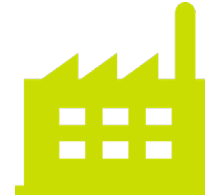
Working Capital



Community Facilities



Mixed Use



Commercial / Industrial
Development



Affordable Housing

*(Multifamily rental and
single-family homeownership)*



Charter Schools



Economic Development

LISC Lending Products

[illegible]

LISC NYC Pre-Development Loan with NEF 9% LIHTC Equity

784 Courtlandt Manor Project | Bronx, NY

Infinite Horizons (Certified Minority Owned Business Enterprise)

Randall E. Powell, CPM, RPA (Co-Founder & CEO)

Roland E. Powell Jr., RAM (Co-Founder & COO)



Infinite Horizons, LLC. will lead and work in partnership with FG-PH Corp. and Community League of the Heights (CLOTH) to undertake new construction of a seven-story masonry structure developing 20 new units of affordable rental housing, a community facility, and commercial space located at 359-361 East 157 Street and 782-784 Courtlandt Ave. in the Melrose section of the Bronx.

- **\$250,000** LISC NYC Pre-Dev Loan
- **\$15,932,702** Total Development Cost
- **\$7,020,000** NEF 9% LIHTC Equity
- **20 Units** New Construction Affordable Housing
- **33,137** Sf. of Residential & Community/Commercial Space



LISC NYC Construction Loan with NYCERS Conversion

62-66 West Tremont Avenue | Bronx, NY
Belmont Arthur Avenue Local Development Corp.

This is a affordable housing preservation/rehab project which encountered previously unknown structural issues during the course of renovations. The project was delayed while the extent of the structural repairs was determined. The loan proceeds are being used to pay for costs associated with these additional structural repairs and the soft costs which accrued as a result of the extended delays.

- **\$7,973,910** LISC NYC Construction Loan
- **\$21,975,432** Total Development Cost
- **\$8,393,590** NYCERS Perm Loan Conversion
- **90 Units** Supportive & Affordable Senior Housing
- **73,500** Gross Square Ft. of Residential & Common Space



Additional Lending Sources Provided by LISC

New York City Employee Retirement Pension System (NYCERS)

NYCERS

- Long term financing up to 30 years
- Rate based on proposed mortgage term; currently at 5.25%; fixed
- Eligible Mortgages must be guaranteed by SONYMA
- Forward rate lock commitment up to 24 months with a typical conversion fee of 1.0%; additional 6-month extensions available.
- I/E Ratio of 1.05x; 90/90 Occupancy/Days requirement; 70%-80% LTV for conversion; minimum 20% for renovations/construction.

FAC Renaissance Plaza

- \$5.4MM permanent loan with 4% increase over original amount
- 82 units in 13 buildings
- Initial term of 24-months with four 6-month extensions
- Converted late 2020

CLOTH

- \$8.2MM renovation loan
- 65 units in 3 buildings
- Initial term of 24 months with 2 extensions
- Projected conversion in mid-to-late 2021

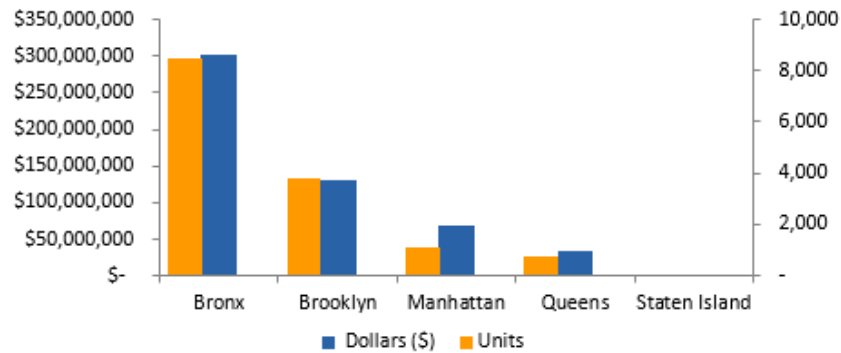
Six loans totaling \$35MM

- Converted: Two loans totaling \$9MM
- Committed: Three loans totaling \$20MM
- Canceled: One loan totaling \$6MM

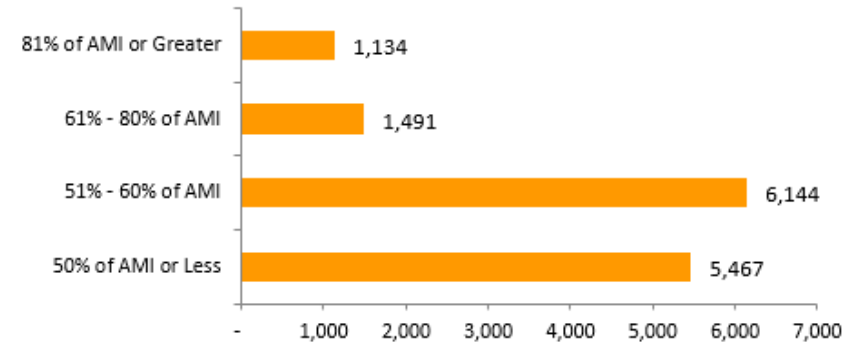
Additional Lending Sources Provided by LISC

NYC Acquisition Fund

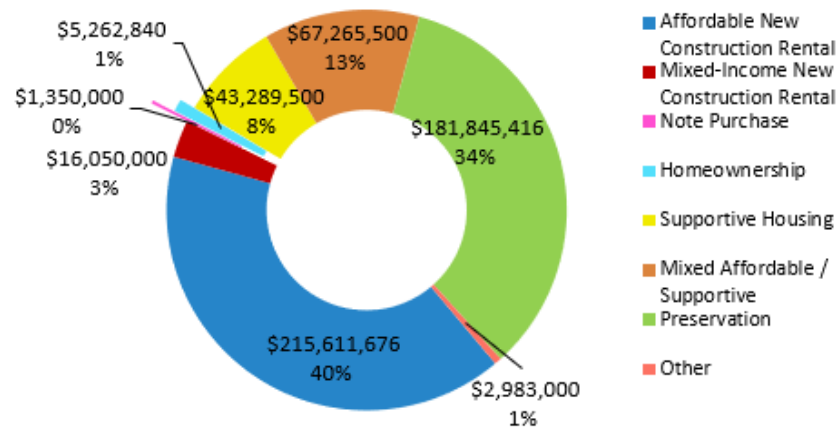
Total Lending and Units by Borough



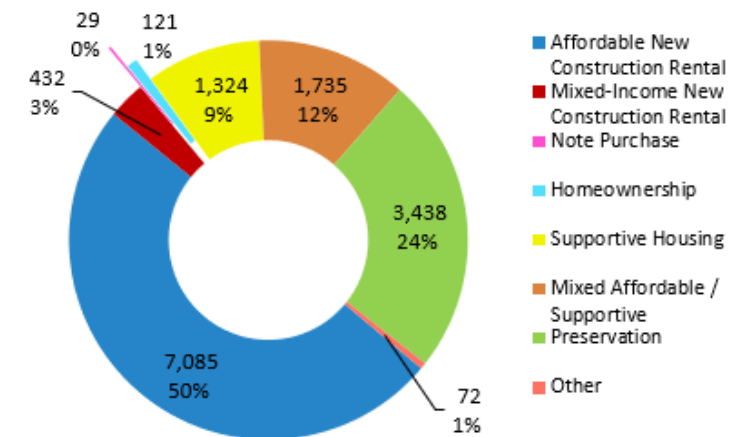
Total Units by Affordability



Total Lending by Project Category



Total Units by Project Category



Additional Lending Sources Provided by LISC

NYC Acquisition Fund

Interest Rate: 30-day Libor + 325 bps
Term: Up to 48 months + up to two 6-month extensions
Origination Fee: 1.0% - 1.5%
Legal Fees: Determined by Each Loan
LTV: 130%

- \$520,000,000 in Total NYCAF Loans Since Fund Inception
- 14,000 Total NYCAF-Financed Units Since Fund Inception
- \$123,000,000 in Currently Active NYCAF Loans
- 1,945 Currently Active Units
- 12 LISC-Originated NYCAF Loans Since Fund Inception
- 1,312 LISC-Financed Housing Units Since Fund Inception
- \$53,000,000 in Total LISC-Originated NYCAF Loans Since Fund Inception
- \$6,500,000 LISC-Originated NYCALF Loans Currently Active

NYC Acquisition Fund

Rockaway Housing Development | Brooklyn, NY The Bridge

The Bridge utilized a NYCAF loan to acquire 5 tax lots in order to develop an innovative mixed-use housing model which will combine light manufacturing, new supportive housing, and a community facility in the Brownsville section of Brooklyn. Through a very long and comprehensive ULURP process, the lots were rezoned from M1-1 manufacturing to incorporate R6A and R7A residential zoning.

- **\$11,050,000** NYCAF Loan
- **\$89,013,662** Total Development Cost
- **160 Units** Supportive & Affordable Housing
- **154,500** Square Ft. of Residential
- **40,000** Square Ft. of Manufacturing
- **4,500** Square Ft. of Community Space



Corner of Newport Ave. and Thatford Ave.

Current Economic Development Lending Portfolio

(as of 11.2020)

Total # of Loans: 189

Total \$ Outstanding: \$168.7MM

Average Loans Size: \$1.55MM

Average Loan Term: 71 months

Interest Rates: 6-10%

Project Types: Commercial/Industrial, Small Business,
Community Facilities



Photo by Ricky Flores

LISC Lending Products

	Predevelopment	Acquisition	Construction	Bridge	Line of Credit	Mini-Permanent	Permanent	Working Capital
Purpose	To pay due diligence expenses, deposits, and other early phase costs	To pay purchase price and closing costs for property Acquisition	To pay hard and soft construction costs for new or renovation projects	To bridge the timing gap between project or program costs and receipt of cash from committed sources	To provide flexible capital to meet organizational cash flow needs or pay project-based expenses	To provide longer-term loans for projects requiring stabilization or interim financing	To provide long-term, fully amortizing financing	Equipment, Leasehold Improvements, Remodel/Expansion, FF&E
Investment Amount	Up to \$1,500,000	Up to \$8 million	Up to \$8 million	Up to \$5 million	Up to \$5 million	Up to \$8 million	Up to \$8 million	Up to \$500,000
Collateral	Some flexibility; generally secured; required above \$500,000	Real estate collateral with LTV of up to 90%	Real estate collateral with LTV of up to 90%	Bridge receipts and/or real estate collateral	Flexible; generally secured	Real estate collateral with LTV of up to 90%	Real estate collateral with LTV of up to 90%	UCC on business assets; lien on equipment
Interest Rate	5-7%					5.75% -7.5%	6.25% -8%	6-10%
Term (Years)	Up to 3					5-7	Up to 17	Up to 10
Project Type	Arts, Charter Schools, Child Care, Commercial Real Estate, Community Facility, Health Facility, Housing Homeownership, Housing Rental, Nonprofit Social Enterprises							Small Business
Recourse	Required							
Guarantee	Corporate Guarantee Required; Personal Guarantees required for For-Profit entities							
Fees	Up to 1.5% + Legal Fees							

Small Business Lending Products

	Permanent Working Capital	Acquisition/ Leasehold Improvement/ FF&E Loans	Maker Space Loans	Commercial Real Estate Loans
Purpose	Working Capital	Leasehold Improvements, Remodel/Expansion, FF&E	Acquisition, Construction	Acquisition, Construction
Investment Amount	\$100,000-\$500,000	\$100,000-\$500,000	\$500,000 - \$3,000,000	\$500,000 - \$5,000,000
Interest Rate	6% -10%	6% -10%	6% -10%	6% -10%
Term (Years)	Up to 3	Up to 7	Up to 10	Up to 10
Collateral	UCC on business assets	UCC on business assets 1st lien on equipment Leasehold mortgage > \$350, 000	Mortgage on property	Mortgage on property
Personal Guarantees	Required	Required	Required	Required

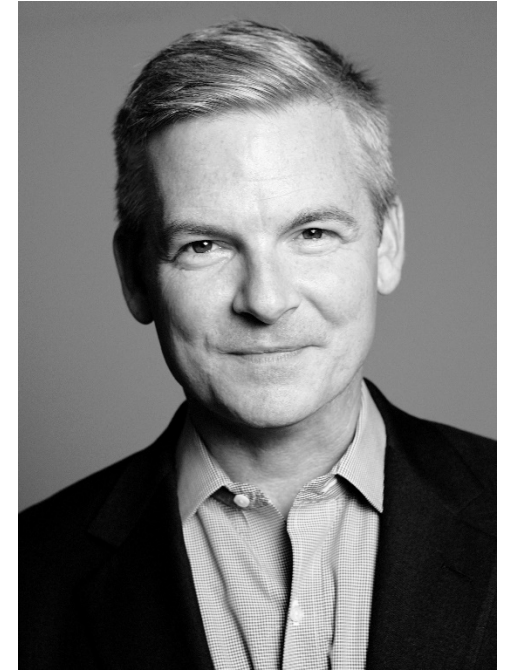
JOE Solar | Bronx & Brooklyn & Queens, NY

Joint Ownership Entity New York City Corporation

Peter Madden, Executive Director

JOE Solar is a project to install rooftop solar panels for on a 19 building portfolio principally located in the Bronx, but with buildings in Brooklyn and Queens as well. The solar panels will generate 730,000 kwh of electricity in the first full year of operation saving \$164,000 - and a total of \$3.8 million in net energy bill savings (before debt service) over a 25-year period.

- **\$500,000** LISC Loan
- **\$1,355,412** Total Development Cost
- **19** Buildings with Rooftop Solar



LISC NYC NMTC Leverage Loan

Ozone Park Industrial Center | Queens, NY Greenpoint Manufacturing and Design Center

Ozone Park Industrial Center is an economic development project in LISC NYC's NYC Inclusive Creative Economy Fund. The redevelopment modernized the complex by upgrading the core and shell as well as plumbing, electrical, and fire safety systems.

- **\$2,900,000** LISC Loan
- **\$37,325,309** Total Development Cost
- **85,000** Square Ft. of Manufacturing
- **88** Construction Jobs
- **78** Operating Jobs



Technical Assistance Services

Services Provided

- Prepare development budgets and financing structures for new affordable housing developments or existing portfolios requiring capital improvements.
- Assist Developer in completing and submitting LIHTC applications.
- Advocate on behalf of the Project to help secure the support of relevant public financing agencies.
- Participate in meetings with relevant public agencies and respond directly to related inquiries.
- Y-15 Portfolio Repositioning

Clients Assisted

- Banana Kelly
- SOBRO
- West Harlem Group Assistance (WHGA)
- West Harlem Development Corporation
- Acacia/Promesa

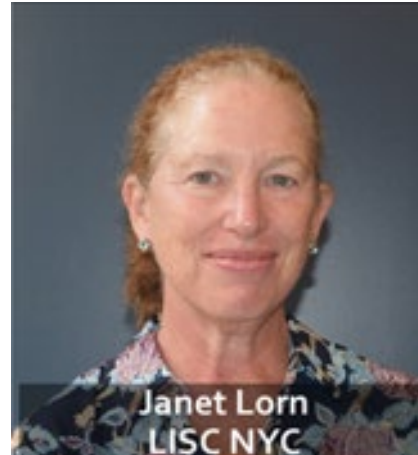
Contact Us



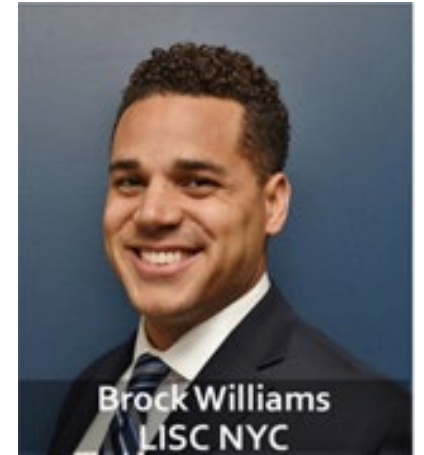
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