LISC NYC Lending:
Predevelopment to Permanent Financing
May 4, 2021
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
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

$21.9 Billion Invested

$64.8 Billion Leveraged
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
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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
This is an 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** NYCRS 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

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<th>Feature</th>
<th>Details</th>
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<tr>
<td>Interest Rate</td>
<td>30-day Libor + 325 bps</td>
</tr>
<tr>
<td>Term</td>
<td>Up to 48 months + up to two 6-month extensions</td>
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<td>Origination Fee</td>
<td>1.0% - 1.5%</td>
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<td>Legal Fees</td>
<td>Determined by Each Loan</td>
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<td>LTV</td>
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- $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
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**
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

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<th>Acquisition/ Leasehold Improvement/ FF&amp;E Loans</th>
<th>Maker Space Loans</th>
<th>Commercial Real Estate Loans</th>
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<td><strong>Purpose</strong></td>
<td>Working Capital</td>
<td>Leasehold Improvements, Remodel/Expansion, FF&amp;E</td>
<td>Acquisition, Construction</td>
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<tr>
<td><strong>Investment Amount</strong></td>
<td>$100,000-$500,000</td>
<td>$100,000-$500,000</td>
<td>$500,000-$3,000,000</td>
<td>$500,000-$5,000,000</td>
</tr>
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<td><strong>Interest Rate</strong></td>
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<td>Mortgage on property</td>
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<td>1st lien on equipment</td>
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<td></td>
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<td>Leasehold mortgage &gt; $350,000</td>
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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
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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mchang@lisc.org
jlorn@lisc.org
bwilliams@lisc.org