



# Supporting Investments that Preserve Affordable Housing & Prevent Displacement

## Washington, D.C. DHCD Preservation Fund



Washington, D.C.'s Department of Housing and Community Development (DHCD) has selected Capital Impact to manage its Housing Preservation Fund in the District.

Capital Impact is leveraging funding from DHCD to deploy low-cost and flexible financing to private nonprofit and mission-driven for-profit developers working on multifamily housing projects that include affordable homes.

Capital Impact believes that mixed-use, mixed-income neighborhoods with easy access to employment and critical social services contribute to the vibrancy and economic growth of the city. Capital Impact also believes that it is critical to preserve affordable housing and prevent displacement in neighborhoods that are rapidly gentrifying.

We are thus focusing our efforts on projects that preserve affordability, and create community stability in those parts of the city that are increasingly a target for development.

### Key Features:

- ▶ Loan amounts between \$1 million and \$10 million
- ▶ Below-market interest rates
- ▶ Term of up to 4 years
- ▶ Up to 125% Loan-to-Value (LTV)
- ▶ Min 1.1x Debt Coverage Ratio (DCR)
- ▶ Property must be occupied, have at least five (5) units, be located within the District, and cannot be owned by the District

### Advantages of borrowing through Capital Impact Partners:

- ▶ Headquartered in Arlington, VA, we have invested more than \$100 million in Washington, D.C., including: affordable housing (including TOPA projects), health care and education facilities.
- ▶ We have the ability to offer a variety of financing options from predevelopment through stabilization.
- ▶ Our on-the-ground lending team and local partnerships allow us leverage our resources for a broader impact.
- ▶ As a mission-driven organization, we are committed to supporting projects that create social impact.

**We invite you to apply for a loan through Capital Impact Partners.**

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# Washington, D.C. DHCD Preservation Fund

| Sample Terms          |  |
|-----------------------|--|
| <b>Loan Amount:</b>   | \$1 million to \$10 million  |
| <b>Term:</b>          | Up to 3 years (fund maximum is 4 years)  |
| <b>Payments:</b>      | Monthly installments of interest, with principal due at maturity   |
| <b>Interest Rate:</b> | Below-market interest rates  |
| <b>Fees:</b>          | 1.25% origination fee  |
| <b>Loan Purpose:</b>  | Predevelopment, acquisition, environmental remediation, and critical repairs of occupied buildings located in Washington, D.C.   |
| <b>Eligibility:</b>   | A minimum of 50% of units must be affordable to and occupied by households at up to 80% Median Family Income (Area Median Income)  |
| <b>Collateral:</b>    | Up to 125% LTV on real estate  |
| <b>Guarantees:</b>    | Unconditional payment and performance guaranty required from sponsor. For for-profit sponsors, personal guarantees also required from all owners with 20% or more ownership interest in borrower |

| Sample Covenants  |  |
|---|--|
| <b>Debt Service Coverage Ratio :</b>                      | Minimum of 1.10 to 1.00  |
| <b>AHPF borrowers must submit the following to close:</b> | <ul style="list-style-type: none"> <li>• Development agreement</li> <li>• If an acquisition through TOPA, assignment of TOPA rights</li> <li>• Affordable fair housing marketing plan</li> <li>• Household selection plan</li> <li>• Affordable unit index (preliminary)</li> </ul>  |
| <b>Post-Closing:</b>                                      | <ul style="list-style-type: none"> <li>• Affordability covenant recorded and filed in land records: owner must annually certify that 50%+ units are affordable for and occupied by households ≤80% Median Family Income (Area Median Income)</li> <li>• Affordability must be maintained for 10 years post-closing</li> <li>• All projects with critical repairs are subject to Davis Bacon wages</li> </ul> |



The Housing Preservation Fund activities are being funded in partnership with the District of Columbia Department of Housing and Community Development.

## Preserving Affordable Housing Supports Our Larger Vision

Capital Impact Partners champions social and economic justice for underserved communities, transforming them into communities of opportunity that foster good health, economic opportunity, and interconnectedness. Through mission-driven lending, incubating social impact programs, impact investing, and policy reform, we partner with local communities to help create equitable access to health care and education, healthy foods, affordable housing, and dignified aging for those most in need. Learn more at [capitalimpact.org](https://capitalimpact.org)



## Offering a Continuum of Lending, Investment, and Advising Solutions

Across the Momentum Capital branded family of organizations, we offer solutions for entrepreneurs, community-based organizations, & local leaders at every growth stage – from inception to expansion. We can provide you with the capital & opportunities you deserve.



\*Investment banking & transaction advisory services provided by Momentus Securities, an SEC-registered broker-dealer, MSRB-registered, & a FINRA/SIPC member.