



**CAPITAL IMPACT**  
PARTNERS  
part of the **momentus capital** family.



# Connecting Developers of Color To Capital

## Diversity in Development - Detroit Loan Fund

In an effort to support a more diverse pool of local real estate developers, Capital Impact Partners has launched the \$12.5 million Diversity in Development - Detroit Loan Fund.

This fund provides a new tool to increase Capital Impact's long-time commitment to equitable development and inclusive growth in Detroit, by deploying low-cost and flexible construction financing to minority developers who live in and around Detroit — with a preference given to graduates of Capital Impact's Equitable Development Initiative.

It is our goal to create pathways of success for those developers who have not been able to enter the real estate industry due to lack of capital, equity, and experience as a result of structural racism and disinvestment. In doing so, we can help ensure Detroit's developers are more representative of the residents who make up a majority of the population.

### Advantages of borrowing through Capital Impact Partners:

- ▶ With an office in Detroit, we have invested more than \$250 million locally to projects including mixed-use developments, multifamily affordable and workforce housing, health care facilities, healthy food businesses, and education facilities.
- ▶ Through our Equitable Development Initiative, we are experienced working with minority developers in Detroit and are familiar with local market conditions.
- ▶ Our on-the-ground team and local partnerships allow us to leverage our networks and resources for broader impact.
- ▶ As a mission-driven organization, we are committed to supporting projects that create social and economic justice.

### Sample Terms

<b>Loan Amount:</b>	Target loans up to \$5 million
<b>Term:</b>	2 to 10 years
<b>Amortization:</b>	Up to 35 Years
<b>Payments:</b>	Interest only during construction, Principal and interest thereafter
<b>Interest Rate:</b>	A 50 basis point reduction compared to Capital Impact's standard pricing, with the same reduction on our pricing floor
<b>Fees:</b>	1.25% origination fee
<b>Collateral:</b>	1st position real estate lien, up to 100% Loan-to-Value
<b>Debt Service Coverage Ratio:</b>	As low as 1.10x based on 10% vacancy assumption. When a project contains fewer than 10 units, DSCR calculation incorporates a vacancy factor of at least one unit
<b>Loan Purpose:</b>	Rehabilitation or new construction of mixed-use, multifamily housing
<b>Eligibility:</b>	Projects with at least 5 residential units within the city of Detroit; Local minority developers with preference given to Equitable Development Initiative graduates
<b>Equity:</b>	Minimum equity contribution of 5%
<b>Guarantees:</b>	Personal guarantees required

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

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# BUILDING COMMUNITIES OF OPPORTUNITY



## A New Chapter Supporting Detroit's Minority Developers

The Diversity in Development - Detroit Loan Fund builds on our effort through the Equitable Development Initiative (EDI) to work more directly with real estate developers who reflect Detroit's demographics. The EDI is working to build knowledge and connections within Detroit's real estate development industry as a means to amplify the ability for communities of color to stabilize neighborhoods and build wealth.

In conjunction with the EDI, this new loan fund leverages our experience working with local developers and community partners. Combined with our key strengths - including

program design and project financing - we are better able to support minority developers to more easily enter the real estate development sector, grow their careers, and renew their communities.



## EDI Program Goals

The Equitable Development Initiative supports historically underserved local developers who identify as racial and ethnic minorities. The program provides this support through training, technical assistance, and real estate development financing connections. The program has three broad goals:

- ▶ Increasing knowledge and network-building for real estate developers of color
- ▶ Contributing to neighborhood stabilization and revitalization
- ▶ Supporting pathways for communities of color to build wealth

## Diversity in Development 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](http://capitalimpact.org)



## Capital Impact is Now Part of Momentum Capital

The Momentum Capital family of organizations is dedicated to ensuring local leaders have equitable access to the capital & opportunities they deserve. Rooted in social mission, we support locally led solutions through our continuum of

lending, impact investments, training programs, & technology platforms. Leveraging 80+ years of combined experience, we are transforming how the financial sector can help communities build health & generational wealth. Learn more at [momentumcap.org](http://momentumcap.org)

