



Nonprofit financial and real estate resources  
Where nonprofits come first.  
Illinois • Indiana • Iowa • Missouri • Wisconsin

## Supporting nonprofit affordable housing developers through low-cost, flexible financing for real estate projects.



IFF helps nonprofits serving low-income or special needs populations with below-market rate loans. Nonprofit development organizations or sponsor agencies can borrow up to \$1.5 million for construction or permanent financing (or up to \$500,000 for predevelopment financing) for acquisition, construction or rehabilitation of multi-family or single-family developments. IFF can draft a letter of interest on your development, partner with your construction lender, and provide permanent long-term debt for your development.

### Available Financing

- Predevelopment (up to \$500,000)
- Construction (up to \$1.5 million)
- Permanent (up to \$1.5 million)

### Rates and Terms

- Rates based on a spread over comparable U.S. Treasury
- 1% origination fee
- No application fee

### Eligible Developments

- Multi-family and single-family developments
- Affordable assisted living
- Independent senior housing
- Supportive housing

### Typical Uses

- Acquisition
- Construction
- Renovation/Rehabilitation



“Without IFF’s participation and contribution, this project [Crystal View Townhomes] would not have happened.”

Linda Fulkerson, Brinshore Development, Sr. VP  
Crystal View Townhomes, LP, Urbana, Illinois



“Affordable housing projects are complex transactions with many layers of financing. The loan process with IFF was straightforward and smooth.”

Gen. Robert Cocroft, CEO  
Center for Veterans Issues, Inc., Milwaukee

Contact IFF to discuss a project, learn about IFF’s affordable housing loan program, or compare rates and terms.

### Adam Kroshus

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 Suite 700  
 Chicago, IL 60602

920 South Spring Street  
 Suite 2400  
 Springfield, IL 62704

911 Washington Avenue  
 Suite 203  
 St. Louis, MO 63101

215 North Water Street  
 Suite 225  
 Milwaukee, WI 53202

### IFF Loan Program Impact <sup>(1)</sup>

as of December 31, 2009

Total number of loans	773
Total loan volume	\$269.7 million
Total project costs	\$718.3 million
Renovated/constructed space (sq ft)	10.1 million
Cost savings for borrowers <sup>(2)</sup>	\$16.8 million
Jobs created/maintained (FTE)	39,089

### Community Impact <sup>(3)</sup>

#### Housing <sup>(4)</sup>

Number of loans	116 loans
Loan volume	\$36 million
Units created	1,194
Beds created	759
Renovated/constructed space (sq ft)	814,255

(1) Cumulative since 1990

(2) Transaction fees and first year interest

(3) Impact based on created units

(4) Includes both affordable and supportive/special needs housing

Founded in 1988, IFF is a nonprofit community development financial institution (CDFI) committed to strengthening nonprofits and their communities through affordable financing, real estate consulting, research, and public policy.

It serves nonprofits in Illinois, Indiana, Iowa, Missouri, and Wisconsin.

To learn more about IFF, visit [iff.org](http://iff.org).

IFF is familiar with the issues faced by affordable housing developers having helped finance developments across IFF's five-state region. Some of the organizations IFF has provided financing to include:

#### Illinois:

- Chicago Center for Urban Life and Culture
- Courtyard Square, Inc.
- Crystal View Townhomes, LP
- Garden Apartments NFP, Inc.
- Heartland Housing, Inc.
- Hispanic Housing Development Corporation
- Mercy Housing Lakefront
- Safer Housing Assistance, LLC
- South Chicago SA, LLC
- TSP-Hope, Inc.
- Vernon Hills SA Associates, LP and Vernon Hills SLF Associates, LP
- West Humboldt Park Homes, LLC
- Westside Health Authority
- YWCA Peoria
- Zion Development Corporation

#### Indiana:

- Brookside Apartments, LP
- New Parkwoods II, LP and New Parkwoods IV, LP

#### Missouri:

- 4-Sight Counseling
- Justine Petersen Housing and Reinvestment Corporation

#### Wisconsin:

- Center for Veterans Issues, Inc.
- Fond du Lac Townhomes, LLC
- Heartland Housing, Inc.
- Independent Living, Inc.
- Lisbon Terrace, LLC
- St. Catherine Residence
- UMCS Townhomes, LLC

Additional project partners IFF has worked with on affordable housing developments include:

- Brinshore Development
- Cardinal Capital
- Commonwealth Development
- The Community Builders
- Neighborhood Housing Services
- Pathway Senior Living



# Affordable Housing Predevelopment Loan Term Sheet

<b>Use of Funds</b>	To provide short-term, 12–24 month, fixed rate loans for upfront development costs, such as: <ul style="list-style-type: none"><li>● Environmental phase 1</li><li>● Down payments</li><li>● Options</li><li>● Building permit and legal fees</li><li>● Architectural fees</li><li>● Engineering fees</li><li>● Land acquisition</li></ul>
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"><li>● Sponsor agencies</li><li>● Nonprofit developers, including those in ownership structure when transaction closes and has approved tax credit application</li></ul>
<b>Eligible Developments</b>	Residential rental housing for families, elderly, or special-needs populations, including: <ul style="list-style-type: none"><li>● Apartments</li><li>● Townhomes</li><li>● Retirement centers</li><li>● Affordable assisted living centers</li><li>● Supportive or special needs housing</li><li>● New construction projects</li><li>● Acquisition rehabilitation projects</li></ul>
<b>Development /Management Experience Level</b>	<ul style="list-style-type: none"><li>● <i>Development Team</i>: Over five years experience in affordable housing industry, plus experience on specific project type</li><li>● <i>Management Company</i>: Over five years experience in affordable housing management, plus experience on specific project type</li></ul>
<b>Loan Amount</b>	Up to \$500,000
<b>Rate</b>	Annual rate of 5%, charged monthly
<b>Term</b>	12–24 months
<b>Amortization</b>	None, interest only
<b>Collateral</b>	Recourse to or guaranteed by nonprofit, with additional collateral preferred
<b>Fees</b>	<ul style="list-style-type: none"><li>● No application fee</li><li>● 1% origination fee</li><li>● No due diligence deposit, but borrower responsible for all third party reports</li><li>● No legal deposit, but borrower responsible for attorney's fees</li></ul>



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# Affordable Housing Construction Permanent Term Sheet

<b>Use of Funds</b>	To pay for project costs during construction and provide permanent debt
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"><li>● Nonprofit developers</li><li>● Nonprofit corporations, including those partnering with for-profit developers to create affordable housing</li></ul>
<b>Eligible Developments</b>	Residential rental housing for families, elderly, or special-needs populations, including. <ul style="list-style-type: none"><li>● Apartments</li><li>● Townhomes</li><li>● Retirement centers</li><li>● Affordable assisted living centers</li><li>● Supportive or special needs housing</li><li>● New construction projects</li><li>● Acquisition rehabilitation projects</li></ul>
<b>Development /Management Experience Level</b>	<ul style="list-style-type: none"><li>● <i>Development Team:</i> Over five years experience in affordable housing industry, plus experience on specific project type</li><li>● <i>Management Company:</i> Over five years experience in affordable housing management, plus experience on specific project type</li></ul>
<b>Loan Amount</b>	Up to \$1,500,000
<b>Rate</b>	<ul style="list-style-type: none"><li>● 250 to 300 basis points over comparable maturity Treasury rate for full loan term</li><li>● Interest only during construction and monthly payment for permanent loan</li></ul>
<b>Term</b>	<ul style="list-style-type: none"><li>● 12 -36 months for construction loan</li><li>● Up to 18 years for permanent loan</li></ul>
<b>Amortization</b>	25–30 years
<b>Equity Requirement</b>	20%
<b>Collateral</b>	First position
<b>Fees</b>	<ul style="list-style-type: none"><li>● No application fee</li><li>● 1% origination fee</li><li>● No placement fee</li><li>● No due diligence deposit, but borrower responsible for all third party reports</li><li>● No legal deposit, but borrower responsible for attorney's fees</li></ul>



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# Affordable Housing Permanent Loan Term Sheet

<b>Purpose</b>	For long-term housing financing
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"><li>● Nonprofit developers</li><li>● Nonprofits corporations, including those partnering with for-profit developers to create affordable housing</li></ul>
<b>Eligible Developments</b>	Residential rental housing for families, elderly, or special-needs populations, including: <ul style="list-style-type: none"><li>● Apartments</li><li>● Townhomes</li><li>● Retirement centers</li><li>● Affordable assisted living centers</li><li>● Supportive or special needs housing</li><li>● New construction projects</li><li>● Acquisition rehabilitation projects</li></ul>
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<b>Loan Amount</b>	Up to \$1,500,000
<b>Rate</b>	<ul style="list-style-type: none"><li>● 250 to 300 basis points over comparable maturity Treasury rate for full loan term</li><li>● Interest only during construction and monthly payment for permanent loan</li></ul>
<b>Term</b>	15–18 years
<b>Maximum Amortization</b>	25–30 years
<b>Equity Requirement</b>	20%
<b>Maximum Loan to Value</b>	80%
<b>Reserve Requirements</b>	<ul style="list-style-type: none"><li>● <i>Multi-Unit Development:</i> Capitalized minimum three-month operating reserve</li><li>● <i>Special Needs Development:</i> Capitalized minimum six-month operating reserve</li><li>● <i>Replacement Reserve:</i> Minimum \$250 per month per unit from cash flow</li></ul>
<b>Environmental Reviews</b>	IFF requires a Phase 1 environmental study, performed and completed by an environmental engineer. Phase 2 if necessary.
<b>Collateral</b>	First position
<b>Fees</b>	<ul style="list-style-type: none"><li>● No application fee</li><li>● 1% origination fee</li><li>● No placement fee</li><li>● No due diligence deposit, but borrower responsible for all third party reports</li><li>● No legal deposit, but borrower responsible for attorney's fees</li></ul>