

GALLATIN COUNTY HOUSING IMPACT FUND



BOZEMAN^{MT}



HRDC
BUILDING A BETTER COMMUNITY





What is the Gallatin Housing Impact Fund?

INVESTING IN HOUSING

COMMUNITY HOUSING IMPACT FUND

Purpose:

- To offer low-interest financing to for-profit and non-profit developers to preserve and expand housing solutions in Gallatin County
- To provide stable returns for long-term investment to fund housing solutions

Fund Management:

- The fund is managed by NeighborWorks Montana and governed by an Advisory Board of investor representatives



MONTANA

www.nwmt.org

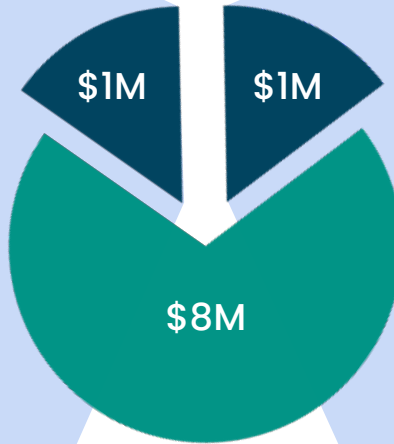
INVESTING IN HOUSING

COMMUNITY HOUSING IMPACT FUND

\$10 Million Fund

\$1,000,000
Grants and
Philanthropic
Dollars

\$1,000,000
NeighborWorks
Montana
Capital



\$8M

\$1M

\$1M

\$8,000,000 Invested Dollars

COMMUNITY HOUSING IMPACT FUND

Fund Investors to Date:

- The following organizations have provided \$4.775M in funding to date:



Jennifer and
Chris Boyer

- Once the fund reaches \$10 Million, First Security Bank will invest an additional \$1 Million.

INVESTING IN HOUSING

COMMUNITY HOUSING IMPACT FUND

Status:

- The fund has already invested in three projects that are producing 390 new affordable housing units in Gallatin County
- We have \$10 million worth of pending loan requests for additional projects
- We are soliciting additional fund investors



Projects Funded to Date

HOUSING IMPACT FUND

Family Promise of Gallatin Valley

- **Units:** 48
- **Type of Project:** Adaptive Reuse
- **Sources:** Opportunity Bank, Philanthropy
- **Total Project Cost:** \$7,338,525
- **Total Fund Investment:** \$1 million



The campus currently includes the three tan buildings seen here.

HOUSING IMPACT FUND

North 3rd and Peach Apartments

- **Units:** 216
- **Developer:** DEVCO
- **Type of Project:** New Construction
- **Sources:** Citi Bank, LIHTC
- **Total Project Cost:** \$68,905,966
- **Total Fund Investment:** \$1.5 million



HOUSING IMPACT FUND

Lumberyard Apartments

- **Units:** 155
- **Developer:** Reuter Walton
- **Type of Project:** New Construction
- **Sources:** Merchants Bank, LIHTC, Montana Housing
- **Total Project Cost:** \$50,540,415
- **Total Fund Investment:** \$2.5 million





Fund Details

COMMUNITY HOUSING IMPACT FUND

Fund Targets:

- The initial fund targets will be to support projects serving renters with incomes up to \$70,000 per home and create homeownership opportunities for households with incomes up to \$150,000 per household.
- At least 60% of the fund dollars and projects funded will serve households making less than 80% of the area median income, and the highest income levels served will be 150% of area median income.

COMMUNITY HOUSING IMPACT FUND

\$10 Million Fund

\$6,950,000 – Long-Term

Income Target: Households earning between \$40,000 and \$150,000

Units Supported: 650

Unit Type:

- LIHTC
- Adaptive Reuse
- Preservation
- Resident Owned Communities
- Deed Restricted Rentals

Funds Leveraged: \$65,000,000

Sources of Leveraged Funds:

- LIHTC, HOME, HTF
- Private Investment and Loans

**\$6,950,000
Long-Term
Development
Funds**

**\$3,000,000
Short-Term
Revolving
Development
Funds**

\$3,000,000 – Short-Term

Income Target: Households earning between \$40,000 and \$150,000

Units Supported: 200

Unit Type:

- Development / Preservation
- Community Land Trusts

Funds Leveraged: \$15,000,000

Sources of Leveraged Funds:

- HOME, CDBG, TIF
- Private Investment and Loans

**\$50,000 Cash
Loss Reserve**

INVESTING IN HOUSING

COMMUNITY HOUSING IMPACT FUND

Anticipated Impact:

- The fund is anticipated to create and preserve 850+ units of housing.
- Fund dollars are expected to be leveraged 8:1 attracting \$80,000,000 in dollars from other sources.

**WHO CAN ACCESS
THIS FUND?**

WHO CAN ACCESS FUNDING & FOR WHAT?

- **Private Developers**
- **Non-profit Developers**
- **Local Governments**
- **Transitional Housing**
- **Rental Housing**
- **Community Housing Land Trusts**
- **LIHTC Developments**
- **Adaptive Reuse**
- **Preservation**
- **Resident Owned Communities**
- **Deed Restricted Rentals**

FUND PRODUCT PARAMETERS

	Development & Acquisition	Middle-Income Long-Term Financing	Low-Income Long-Term Financing
Maximum CLTV	95%	95%	105%
Maximum Loan Amount	\$1,500,000	\$1,500,000	\$1,500,000
Rate	4.50%	1.00% below 1st mortgage with a floor of 4.00%	2.00% below 1st mortgage with a floor of 3.50%
Origination Fee	1.00%	1.00%	1.00%
Maximum Loan Term	3 Years	10 Years	15 Years; Can be up to 17 years for tax credit projects
Repayment Terms	Interest only	Up to 40 year amortization; regular monthly P&I	Up to 40 year amortization; regular monthly P&I; flexible terms available in first three years
Loan as % of Total Project	Up to 35% for land acquisition and/or predevelopment costs; Up to 20% for acquisition/rehab and construction	Up to 20%	Up to 20%
Rental Income Levels	0% - 100% AMI	0% - 100% AMI	0% - 80% AMI
Homeownership Income Levels	0% - 150% AMI	0% - 150% AMI	0%-120% AMI
Period of Affordability	10 years from occupancy	15 years	Minimum 30 years

FUND INVESTMENT OPPORTUNITIES

- The Housing Impact Fund is seeking interested investors and donors to get to \$10M in funds raised
- The minimum impact investment is \$50k and there is no minimum donation amount
- Terms are 5-15 years with interest rates 0.00%-2.00%
- Investors are paid quarterly interest payments with principal paid in full at maturity
- Investment circular and more information is available from NeighborWorks Montana: www.nwmt.org or kpeterson@nwmt.org

**THANK YOU
QUESTIONS?**



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COMMUNITY HOUSING IMPACT FUND

Fund Management and Oversight:

- Funds are invested in NeighborWorks Montana who administers the fund under the guidance of NWMT's board of directors and a local fund advisory board
- Each investor with \$250k or more invested in the fund holds a seat on the Advisory Board
- The Advisory Board meets at least bi-annually to review development and impacts. Meetings are public and other stakeholders may attend meetings for education and discussion

INVESTING IN HOUSING

COMMUNITY HOUSING IMPACT FUND



MONTANA

www.nwmt.org

Serving Montanans Statewide Since 1998

- Housing Counseling & Education
- Resident-Owned Communities
- Homeownership Lending
- Real Estate Development Lending
- Community Development Financial Institution