

Term Sheet: Emerging BIPOC Developers

Small or newer developers with less than three years of significant development experience, and/or maximum of three prior independently-completed development projects and/or 250 residential units.

Real estate development nonprofits with (1) a person of color as the CEO or Executive Director or having people of color in a majority of senior officer positions and on the Board, and (2) missions that address underserved needs of vulnerable, low-income communities and populations, especially those harmed by systemic racial and ethnic discrimination.

Loan Type	Predevelopment	Acquisition	Rehabilitation
Loan Purpose	Pre-construction due diligence expenses, deposits, and other early phase costs	Purchase price, closing costs for property acquisition	Hard and soft construction costs of renovation projects
Loan Amount	Up to \$250,000	Up to \$1,000,000	Up to \$1,000,000
Eligible Projects	Preference for (i) rental housing projects having at least 51% of units affordable to households earning 80% AMI or less; (ii) for-sale housing projects having all units affordable to households earning up to 120% AMI or less; and (iii) community facilities primarily serving low-income persons or communities.		
Term	Up to 4 years		
Interest Rate	5%		
Fees	1.5% Commitment Fee		

Borrower Requirements

Guarantors:

- Full recourse to the borrower and sponsoring organization.
- Personal guarantee(s) required.

Collateral:

- LTV up to 95%.
- For predevelopment loans – off-site real estate and/or assignment of receivables will be considered.
- For acquisition and rehabilitation loans – recorded first position lien on real estate required.

The EDREE Initiative

Empowering Diverse Real Estate Entrepreneurs

Term Sheet: Experienced BIPOC Developers

Proven track record of development, management, or disposition in real estate with more than three years of significant development experience, and/or minimum of three independently-completed development projects and/or 250 residential units.

Loan Type	Predevelopment	Acquisition	Rehabilitation
Loan Purpose	Pre-construction due diligence expenses, deposits, and other early phase costs	Purchase price, closing costs for property acquisition	Hard and soft construction costs of renovation projects
Loan Amount	Up to \$1,500,000	Up to \$2,500,000	Up to \$2,500,000
Eligible Projects	Preference for (i) rental housing projects having at least 51% of units affordable to households earning 80% AMI or less; (ii) for-sale housing projects having all units affordable to households earning up to 120% AMI or less; and (iii) community facilities primarily serving low-income persons or communities.		
Term	Up to 4 years		
Interest Rate	5%		
Fees	1.5% Commitment Fee		

Borrower Requirements

Guarantors:

- Full recourse to the borrower and sponsoring organization.
- Personal guarantee(s) required.

Collateral:

- Recorded first position lien on real estate strongly preferred.
- Loans with an LTV above 95% will be considered on a case-by-case basis.
- For predevelopment loans – off-site real estate and/or assignment of receivables will be considered.

Entity Loan

The EDREE Initiative may also consider Entity Loans to fund equity contributions in stand-alone or joint ventures. Prospective borrowers must meet Experienced Developer criteria and demonstrate an active pipeline of Eligible Projects.

Loan Amount: Up to \$500,000 · Term: Up to 3 years · Interest Rate: 5% · 1.5% Commitment Fee