

Preservation Rehabilitation Financing

Funds to Renovate Affordable Housing Properties

Is your borrower looking to renovate an affordable multifamily property? We provide financing for the moderate rehabilitation of affordable properties with new Low-Income Housing Tax Credits (LIHTCs).

For More Information:

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PRODUCT SNAPSHOT

This product can be used with:

- Bond credit enhancements with 4% LIHTC
- Tax-exempt loans with 4% LIHTC
- 9% LIHTC cash loans
- Rehab funding with tenants in place
- Eligible mixed-use properties

	TAX-EXEMPT FINANCING WITH 4% LIHTC	9% LIHTC CASH LOAN
Eligible Borrowers	Garden, mid-rise, or high-rise multifamily properties with new 4% Low-Income Housing Tax Credit (LIHTC) undergoing moderate rehabilitation with tenants in place	Garden, mid-rise, or high-rise multifamily properties with new 9% LIHTC that are undergoing moderate rehabilitation with tenants in place
Terms	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less; 15 years with HUD Risk Sharing Maximum term: 35 years Rehabilitation/stabilization period (maximum of 24 months) will be included in loan term	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing Maximum term: 35 years Rehabilitation/stabilization period (maximum of 24 months) will be included in loan term
Product Description	Tax-exempt financing for the moderate rehabilitation of affordable multifamily properties with a new 4% LIHTC and tenants in place	Financing for the moderate rehabilitation of affordable multifamily properties with a new 9% LIHTC and tenants in place
Type of Funding	Tax-exempt financing for acquisition/rehabilitation based on projected post-rehabilitation net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest-only during the rehabilitation/stabilization period	Financing for acquisition/rehabilitation based on projected post-rehabilitation NOI; cash or letter of credit collateral required to fund gap between supportable debt on current NOI and loan amount (collateral held until stabilization); interest-only during the rehabilitation/stabilization period
Minimum Debt Coverage Ratio (DCR)¹	<ul style="list-style-type: none"> • Variable rate with cap hedge: 1.20x • Fixed rate: 1.15x 	New tax credits: 1.15x

¹ Adjustments may be made depending on the property, product and/or market.

	TAX-EXEMPT FINANCING WITH 4% LIHTC	9% LIHTC CASH LOAN
Maximum Loan-to-Value (LTV) Ratio¹	<ul style="list-style-type: none"> Variable rate with cap hedge: 80% of adjusted value or 85% of market value Fixed rate: 85% of adjusted value or 90% of market value 	New tax credits: 115x
Maximum Amortization	35 years	90% of market value
Prepayment Provisions	Fee maintenance	Yield maintenance
Subordinate Financing	Permitted	Permitted
Tax and Insurance Escrows	Required	Required
Fees	Application fee, commitment fee, plus other fees, as applicable	Application fee, commitment fee, plus other fees, as applicable

¹Adjustments may be made depending on the property, product and/or market.