

# Green Affordable Housing Preservation Loan Fund

## Overview

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The National Housing Trust Community Development Fund (NHTCDF) is certified by the US Treasury Department as a Community Development Financial Institution (CDFI). Its goal is to preserve affordable housing throughout the nation by providing short-term financing.

Recognizing that preservation is inherently green, NHTCDF will use the Green Affordable Housing Preservation Loan Fund to encourage non-profit developers to do more in green affordable housing to promote healthy and sustainable communities for the very low-, low- and moderate income families. The financing provided through NHTCDF's Green Loan Fund will require that non-profit developers work with green experts to determine how green elements can be incorporated in their project's design.

## Product Offering

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NHTCDF will offer the early funding critical to starting the development process. Loan features include:

- **Predevelopment loans** fund initial feasibility analysis, appraisals, market studies, environmental studies, due diligence and design studies, etc.  
Loan Amount: \$110,000\*  
Term: 12 - 18 months  
Rate: determined by the NHTCDF loan committee
- **Interim development loans** bridge the funding gap in acquisitions until more permanent sources of financing can be arranged.  
Loan Amount: \$110,000\*  
Term: 18 - 36 months  
Rate: determined by the NHTCDF loan committee

\*If additional funds are required for the development project, NHTCDF will use other resources from its general loan program to satisfy the funding request which will be subject to NHTCDF's standard terms.

The design process in this program will involve the inclusion on the development team of a qualified professional with green design expertise who will conduct an energy and environmental design audit of the existing structure. The professional will provide a report detailing all reasonably includable green design elements that analysis indicates will have a positive financial payback within 10 years.

## **Loan Forgiveness**

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Requests for partial loan forgiveness may be made by Borrowers at any time they believe they qualify for forgiveness prior to the time their loans mature. Criteria to be used in this assessment include the Borrower's use of a qualified green consultant (approved in advance by NHTCDF) who will provide an assessment of the green design elements that are practicable for inclusion into the preservation project. Typical green features include:

- a. Integrated Plan and Design
- b. Energy efficiency
- c. Use of materials beneficial to the environment
- d. Water conservation
- e. Healthy living environment
- f. Location and Smart Growth
- g. Site Improvements
- h. Resident and management education and information

The borrower will submit documentation to NHTCDF providing information on which green design features are practicable for the preservation project under consideration, including pro formas and budgets, demonstrating how green features stated above would impact the project's feasibility. The analysis will also project reasonable improvements in energy usage, water usage, and other environmental benefits from incorporation of green design elements. It will explain why green design elements which are not included in the plan were concluded to be impracticable.

The NHTCDF Loan Committee will then analyze the Borrower's attempt to incorporate green design elements into the preservation project; forgiveness will be granted based on the Borrowers good faith efforts to incorporate all of the green design elements into its plan that are practicable and financially feasible.

### Contact

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