

**Vermont Housing Finance Agency  
MacArthur Pre-development Loan Program  
Fact Sheet & Application**

**Program Summary**

The MacArthur Pre-development Loan Program is a revolving loan fund created by VHFA with funding from the MacArthur Foundation and matched by funding from VHFA to promote and assist the preservation of affordable housing.

**Loan Features**

Interest Rate:	Rate is a weighted average of cost of funds; contact VHFA staff for the current rate.
Repayment Term:	3 years
Interest Paid:	Payable monthly; interest expense budgeted for the loan term may be borrowed (it is an eligible use of funds).
Fees:	None
Maximum Loan Amount:	\$100,000
Eligible Projects:	Multifamily rental housing
Affordability Restriction:	Must be used to preserve affordable rental housing, as defined by VHFA, and can be used for acquisition & rehabilitation of unrestricted units being converted into affordable housing
Eligible Borrowers:	No restrictions
Eligible Uses:	Approved pre-development costs (e.g. appraisal, architectural, environmental, development consultant, legal), but no operating costs.
Evaluation Criteria:	Likelihood of project getting permanent financing in order to re-pay the Pre-development Loan within its term
Security:	Recourse loan; security interests may be required
Application Process:	VHFA Pre-development Loan Application including proposed Pre-development Loan Budget
Approval Process:	Loans underwritten by staff and approved by Loan Review Committee

## **Vermont Housing Finance Agency MacArthur Pre-development Loan Application**

Please answer the following questions as completely possible, given the current status of your project. However, if you have submitted an application to the Vermont Housing and Conservation Board, or the Vermont Community Development Program, you may send us a copy instead of completing the following questions.

1. Sponsor Identification: Provide name, address, contact person and phone number of sponsor and the organization's status (i.e. if a non-profit organization, VSA Title 11, Chapter 19).
2. Project Information: Provide name and location of project. Describe scope of project, and why a Pre-development Loan is being requested. Break out the proposed number of housing units by type: which units are existing affordable housing and which units if any are being acquired.
3. Site: Please describe the site in a narrative, and attach site map with relevant development features (buildings, roads, sewer lines, wetlands, etc.). Indicate current zoning. Describe any zoning changes or other regulatory approvals (including Act 250) needed to implement the proposed development project, along with the proposed timetable for those approvals. Describe support or resistance from neighborhood or abutters, and document evidence of municipal willingness to grant regulatory approvals required (if any).
4. Site Control: State the current status of ownership and describe plans to acquire site control. If site control has been established, provide evidence of option, purchase and sale, or developer designation.
5. Justification of Purchase Price: Provide documentation for the proposed purchase price, including an appraisal (if available) or a recent sales history of the site.
6. Affordability Profile: Provide a detailed breakdown of the number of units which will be affordable to households within the very low (<50% of median income), low (>50% and <80%), moderate (>80% and <100%) and above median family income categories.
7. Community and Public Benefits of Project: Cite the specific neighborhood and community benefits that are expected to derive from the project.
8. Proposed Development Schedule: Please cite the dates expected for the following events: submission of financing applications; regulatory and zoning reviews and approvals; building permits; receipt of financing commitments; construction start; construction completion; full occupancy.
9. Market Demand: Document your market analysis and/or tenant commitments.
10. Development Team: Please provide the following information for each member of the development team: Name of organization or company, complete name(s) of contact person(s), address(es) and telephone numbers. Development team members could include development partners, architect, consultants, attorney, general contractor, management agent, syndicate, etc.

11. Corporate Relationship of Applicant to Developer: Describe your relationship to or with the developer entity. Attach joint venture or partnership agreements, if applicable, or indicate the status of such agreements.

12. Consultant: Detail the process you propose to use (or have used) in selecting consultant(s) to provide the services for which development assistance is requested.

13. Organizational Background: Please provide, as attachments or appendices, the following basic information about the applicant organization as appropriate: Copy of by-laws; list of board of directors, including addresses, telephone numbers and occupations or organizational affiliations; copy of Articles of Association; current year's operating budget and most recent audited financial statements; organizational history and development strategy.

14. Detailed Budget and Pro Forma: Please detail the proposed project budget, sources and uses of funds (including rates and terms), revenue by unit, operating expenses, a 15-year pro forma, and a month-by-month construction cash flow (if applicable). *If you wish to receive a sample financial template, please ask VHFA Development Staff.*

15. Detailed Proposed Budget for Use of Pre-development Loan Proceeds: Please provide a budget indicating all sources of capital, including the requested MacArthur Pre-development loan, and all respective uses for pre-development expenses. Describe how the loan requested will further the progress of the proposed project.

**For More Information:** Contact VHFA's Development Department ~ 802-864-5743