

# NEW GENERATION FUND LLC

## AFFORDABLE HOUSING PRESERVATION LOAN TERM SHEET (REV. 12/2022)

The following represent the New Generation Fund's general terms and conditions for acquisition loans to preserve or establish long-term affordability in existing rental housing properties in the City of Los Angeles. Each Underwriting Lender identified at the bottom of this term sheet has delegated authority to originate NGF loans. Please contact one of them to discuss NGF's requirements and process for obtaining financing.

<b>Project Sponsors:</b>	Non-profit and For-profit entities with successful track records in developing and managing affordable rental housing.
<b>Loan Proceeds:</b>	May be used for costs associated with the acquisition, and, as applicable, repairs and modest improvements of existing occupied rental housing properties, for which a regulatory agreement is signed with the City of Los Angeles or other applicable public agency imposing long-term affordable rents.
<b>Loan Amount:</b>	Up to \$10,000,000. Higher amounts permitted on an exception basis.
<b>Loan Term:</b>	Initial term of 24-36 months, with up to two 6-month extensions at the Fund's discretion.
<b>Loan to Value:</b>	<ul style="list-style-type: none"><li>▪ <b>Up to for 130% Loan to Value for Non-profit Sponsors.</b></li><li>▪ <b>Up to 95% Loan to Value for For-profit Sponsors.</b></li></ul> Value is defined as the lesser of as-is appraised value and the purchase price. Loan proceeds used for repairs or moderate rehab not to exceed the <u>lesser of</u> \$30,000/unit and 25% of the total loan amount.
<b>Collateral:</b>	First deed of trust in the real estate.
<b>Pricing:</b>	Loan pricing will be determined by originating lender based on market conditions.
<b>Origination Fees:</b>	1.5% - 2.5%, as determined by originating lender.
<b>Recourse:</b>	<b>100%</b> to the <b>Borrower</b> (a single-asset, special purpose entity created by the Sponsor).
<b>Payment Guarantee:</b>	<ul style="list-style-type: none"><li>▪ Minimum <b>25%</b> guarantee for <b>Non-profit Sponsors</b>.</li><li>▪ <b>100%</b> guarantee for <b>For-profit Sponsors</b>.</li></ul>
<b>Repayment Source:</b>	NGF loans are repaid from construction or (as applicable) permanent financing proceeds. As a closing condition, NGF requires a soft take-out commitment letter from the Los Angeles Housing Department (LAHD), or another government agency, as applicable to the proposed transaction.

### PLEASE CONTACT ONE OF OUR UNDERWRITING LENDERS TO DISCUSS YOUR PROJECT



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# NEW GENERATION FUND LLC

## VACANT PROPERTY LOAN TERM SHEET (REV. 12/2022)

The following represent the New Generation Fund's general terms and conditions for vacant property loans for development of affordable and/or supportive multifamily rental housing in the City of Los Angeles. Each Underwriting Lender identified at the bottom of this term sheet has delegated authority to originate NGF loans. Please contact one of them to discuss NGF's requirements and process for obtaining financing.

<b>Project Sponsors:</b>	Non-profit and For-profit Sponsors with successful track records in developing and managing affordable and/or supportive rental housing.
<b>Loan Proceeds:</b>	May be used for costs associated with the acquisition and predevelopment of vacant property for an affordable and/or supportive housing rental project.
<b>Loan Amount:</b>	Up to \$10,000,000. Higher amounts permitted on an exception basis.
<b>Loan Term:</b>	Initial term of 24-36 months, with up to two 6-month extensions at the Fund's discretion.
<b>Loan to Value:</b>	<ul style="list-style-type: none"><li>Up to <b>130% Loan to Value</b> for <b>Non-profit Sponsors</b>.</li><li>Up to <b>95% Loan to Value</b> for <b>For-profit Sponsors</b>.</li></ul> Value is defined as the lesser of as-is appraised value and the purchase price.
<b>Collateral:</b>	First deed of trust in the real estate.
<b>Pricing:</b>	Loan pricing (fixed or variable) will be determined by originating lender based on market conditions.
<b>Origination Fees:</b>	1.5% - 2.5%, as determined by originating lender.
<b>Recourse:</b>	<b>100%</b> to the <b>Borrower</b> (a single-asset, special purpose entity created by the Sponsor).
<b>Payment Guarantee:</b>	<ul style="list-style-type: none"><li>Minimum <b>25%</b> guarantee for <b>Non-profit Sponsors</b>.</li><li><b>100%</b> guarantee for <b>For-profit Sponsors</b>.</li></ul>
<b>Repayment Source:</b>	NGF loans are repaid from construction financing proceeds. As a closing condition, NGF requires a soft take-out commitment letter from the Los Angeles Housing Department (LAHD) or another government agency, as applicable to the proposed transaction.

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