


Equitable Transit Oriented Development and CDFIs
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 Low Income Investment Fund




Overview of Presentation

- CDFIs and Equitable TOD
- San Francisco Bay Area fund
- Partnership between LIIF and Enterprise


Low Income Investment Fund (LIIF)

- Community Development Financial Institution (CDFI)
- Mission-driven nonprofit founded in 1984 – national scope
- Affordable Housing, Education, Childcare, Green, Healthy Foods, and Equitable TOD
- Array of activities: Financing, fund structuring, policy, technical assistance and program

 **CDFIs and TOD**

- Help convene national and regional partners
- Partner to provide federal, state and local policy support
- Aggregate capital into structures that distribute risk and benefits
- Paper: CDFIs and TOD

3

 **Possible Needs for TOD**

- Partner to deliver needed program, policy and technical assistance support
- Consult with partners and design tools to deliver needed financial products
- Aggregate public, CDFI and/or private capital into structures that share risk
- Assist in identification of new sources for TOD projects

4

 **Bay Area TOAH Fund Overview**

- \$50 million equitable TOD Fund
- Nine-county Bay Area
- 10 year Fund; 5-year origination period
- Five loan products for affordable housing, mixed-income and mixed-use projects
- Led by CDFI Consortium

5



TOAH Fund Partners

- Made possible by:
 - Great Communities Collaborative (GCC)
 - Metropolitan Transportation Commission (MTC) – Bay Area MPO
- CDFI Consortium
 - LIIF is Administrative Agent
 - CSH, ECLF, LIIF, LISC, NCCLF and the Opportunity Fund are the originators
- Grants provided by 3 foundations:
Ford, Silicon Valley & San Francisco

6



Bay Area TOAH Fund Overview – Key Dates

- February, 2010 – RFP for Fund Manager released
- July, 2010 – CDFI Consortium Selected
- July – December, 2010 – Business Plan Development and Capital Raising
- March, 2011 – Fund Closed

7



TOAH Fund Priorities

- **Affordable Housing:** 85% of Fund capital is targeted to support the creation and preservation of affordable housing
- **Other Neighborhood Uses:** Up to 15% of Fund capital may be used to support community facilities, child care centers, health clinics, fresh food markets and other neighborhood retail
- **Geographic Diversity:** Fund is committed to deploying capital in Priority Development Areas (PDAs) in all nine Bay Area Counties

8

TOAH Capital Stack

- **Public Sector** – \$10 million from the MTC
- **Philanthropy and CDFIs** – \$15 million from six CDFIs and Ford, SF Foundation and Living Cities (4 layers here)
- **Banks** – \$25 million from Morgan Stanley and Citi Community Capital

9

TOAH Loan Products – Housing

- Acquisition Loans – Up to 110% LTV, 7-year term, and 4 to 4.5% interest rate
- Predevelopment Loans – Secured; CDFIs provide additional unsecured loans
- Construction Bridge Loans – Shorter term facility to bridge public sector dollars

10

TOAH Loan Products – Economic Development

- Construction Bridge Loans – Similar to housing product
- Construction/Mini-Perm Loans – Up to 7 years, 4-6% interest rate
- Leveraged Loans for New Market Tax Credit (NMTC) deals
- Health clinics, food markets, childcare, neighborhood retail

11



TOAH Fund Update

- \$10 million or 20% of Fund deployed
- \$13 million being reviewed now
- \$30 million in additional projects in pipeline
- Program evaluation underway
- More \$\$ Possible

12



Partnership with Enterprise

- LIIF, Enterprise Community Partners and the Loan Fund
- National scope
- Policy work knowledge sharing
- Regional equity collaboratives
- Capital raising and structuring
- Project financing
- Welcoming other partners

13



Eddy & Taylor Family Housing San Francisco, CA

- **Financing** (1st TOAH Fund loan)
 - \$7mm acquisition financing
 - \$5.9mm subordinated financing from San Francisco MOH
- **Project:** Develop parking lot into 14-story building with 153 units of affordable housing & retail space for a grocery store
- **Borrower:** Tenderloin Neighborhood Development Corp. is a nonprofit developer that provides housing and support services in one of the poorest areas of San Francisco



14



Leigh Avenue Senior Apartments San Jose, CA

- **Financing**
 - \$3mm acquisition loan
 - Future support from the City of San Jose



- **Project:** Develop vacant land into mixed-use project with 64 units of affordable senior housing & dental office; 35% of units reserved for chronically ill seniors needing in-home care provided by the County of Santa Clara
- **Borrower:** First Community Housing is a nonprofit developer in the South Bay Area; nationally recognized for architectural designs and green building practices



For Additional Info

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