



LIGHTS ON DOWNTOWN PILOT LOAN PROGRAM

Goals: To stimulate economic revitalization of downtown commercial districts in Main Street New Jersey cities located in the THRIVE South Jersey footprint (Cumberland, Gloucester, Salem, and Western Atlantic Counties) by reducing vacancies and supporting the creation of a diverse, lower cost supply of residential and commercial space.

Value Statement:

- Predevelopment, construction, and permanent financing for mixed-use, owner-occupied, or investment properties.
- Certainty of execution; no government loan approvals.
- Competitive interest rate and terms.

Eligibility: For-profit and non-profit property owners within the targeted cities. Eligible properties must be current with respect to real estate taxes, water, and sewer fees, as well as any other municipal charged. No 'adult uses' permitted.

Predevelopment Eligible Uses: To support up-front costs including architectural and engineering drawings, market and/or financial feasibility studies, permits, etc.

Construction & Permanent Eligible Uses: Life safety and/or code improvements, ADA compliance, interior and exterior renovations, and related soft costs needed to create and/or improve commercial and residential spaces. Eligible uses can also include acquisition and/or refinancing of existing mortgage debt.

Loan Amounts: Predevelopment Loans: Up to \$50,000.

Construction/Permanent Loans: Up to \$1.5 MM subject to complete underwriting analysis of the project budget and proforma. In no event shall the loan amount exceed 90% of the total development costs or 90% of the 'As Completed' value of the property, whichever is less. Minimum Debt Service Coverage of 1.10x.

Interest Rate: Predevelopment Loans: Between 3.00% and 5.50% fixed

Construction/Permanent Loans: Between 3.00% and 5.50% fixed, with no interest rate reset during the loan term.

Term/Amortization: Predevelopment Loans: Up to 12 months of interest-only payments; principal to be repaid from construction loan.

Construction Loans: Up to 18 months of interest-only payments during construction. Interest reserve can be established from Loan Proceeds to fund interest during renovation period.

Permanent Loans: Up to 10 years with monthly principal & interest payments based on 20-year amortization schedule.

Security: Predevelopment Loans: Secured or Unsecured; must provide evidence of site control.

Construction/Permanent Loans: First mortgage lien on project property together with an assignment of rents and leases, Subordinate debt may be considered subject to loan to value and debt service coverage requirements.

Fees: \$200 Application; 1.00% of financing amount plus all 3rd party closing costs and inspection fees.

Guarantors: May be required.

For more information regarding our Lights On Downtown program and other financing programs available through our THRIVE SJ initiative, please contact Laura Wallick at lwallick@njclf.com or 267.396.1605