



## Headline: Line of Credit Helps Fund Midwest Expansion



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### BY THE NUMBERS:

#### Uses and Structure

Operating property acquisitions (aggregate) Up to \$7,000,000

- Mezzanine
- Subordinate
- Senior

Predevelopment Expenses in advance of construction or rehabilitation; \$750,000 limit per project Up to \$4,000,000

**Total Line of Credit \$10,000,000**

### ABOUT THE DEAL:

NeighborWorks Capital closed its largest loan to date with a \$10 million property and acquisition and predevelopment line of credit to Hispanic Housing Development Corporation (HHDC). This line of credit will allow multiple uses, including predevelopment funding, secured 2nd position and mezzanine financing for property acquisition, and 1st position acquisition financing. NeighborWorks Capital previously worked with HHDC on a \$7 million line of credit in 2017 with narrower terms, but replaced it with this larger, more adaptable structure. Up to \$7 million of the line of credit is available for property acquisitions and up to \$4 million for predevelopment expenses (no more than \$750,000 per project).

The funds will help HHDC better compete for acquisition opportunities in competitive markets where speed and certainty of closing are vital. HHDC plans to add around 200 affordable apartments to their portfolio annually in various Midwest cities. These properties will have long-term affordability, with many

recapitalized using LIHTC. The first five projects in HHDC's new development pipeline will preserve affordability in the rapidly-gentrifying areas of Chicago's West Loop, a significant cultural corridor where HHDC has historically been most active. Four of the five are new construction, and two are part of a focused effort to reduce gentrification in a majority Puerto Rican community.

### ABOUT THE DEVELOPER:

HHDC was founded in 1975. Today, it is a vertically-integrated development organization, from construction capacity to property management. It has developed more than 4,100 homes and 54 properties, including multifamily rental, single-family, condominium, and commercial, including two buildings it leases to GSA/SSA. It manages all 3,800 apartments in their portfolio. Their CEO, Paul Roldan, has been with HHDC for more than 40 years.

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