

CHDO PRE-DEVELOPMENT LOAN
ND DIVISION OF COMMUNITY SERVICES
SFN 52809 (3/01)



APPLICATION & INSTRUCTIONS
FOR A CHDO
PRE-DEVELOPMENT LOAN

Pre-development Application
March 2001

CHDO PRE-DEVELOPMENT LOAN APPLICATION

INSTRUCTIONS

The regulations governing pre-development loans are specific. A loan may be for Technical Assistance and Site Control **OR** Seed Money; within each of these categories there are specific allowed activities. In addition, the Division of Community Services (DCS) has developed the following policies governing pre-development loans:

1. The loan amount may not exceed \$20,000;
2. The loan will be for 24 months, at an interest rate not to exceed 3 percent. The actual rate will be determined at the time of the loan award;
3. The loan will be repayable in full at the end of the loan period; and
4. If there are impediments to the development of a project that are reasonably beyond the control of the borrower, DCS may consider forgiving all or a portion of the loan amount.

EVALUATION CRITERIA:

Please note: Incomplete applications will be returned without review

The following evaluation criteria will be considered in evaluating this loan application:

1. Cash flow projections or proformas
2. Role of CHDO
3. Pre-development loan repayment capacity
4. Extent of community support
5. Extent of demonstrated need
6. Reasonableness of cost estimates.

INSTRUCTIONS:

Complete pages 1 and 2. Then fill out **EITHER PAGE 3 OR 4** depending upon the type of loan you are requesting. Attach additional sheets as needed.

APPLICANT INFORMATION CERTIFICATION

Applicant certifies that, to the best of his/her knowledge and belief, the data in this application is true and correct, and the document has been duly authorized by the applicant's governing body.

Signature	Title	
Address	Phone	Fax

PROPOSAL SUMMARY

Answer the following questions, using additional pages. Number your responses to correspond to these questions.

1. Give an overview of the project, to include:
 - your service area
 - neighborhood or community to be served
 - type, age and condition of existing buildings in the area
 - type of construction or rehabilitation work to be undertaken
 - present land use and any zoning and/or local approvals that would be required
2. Current project status, including any pre-development work already done (include costs)
3. Use of recaptured funds if the project is sold
4. Key steps you will take in carrying out the project, along with a projected timetable
5. Attach your fiscal analysis of the project, to include a projected Uses and Sources statement, projected cash flow or proformas and any other documents to establish viability
6. Define your role as a CHDO during the pre-development and possible development phases of this project
7. How does the development of this project support your mission as a non-profit housing developer?

SEED MONEY
Covers Preconstruction Costs for a Specific Project

The following **must** be in place. Give a short description and provide necessary documentation for each:

SITE CONTROL (e.g., signed option or deed)

PRELIMINARY FINANCIAL COMMITMENTS (e.g., letter from bank or other lending agency)

DEVELOPMENT TEAM (e.g., list of members, qualifications)

ALLOWED USES	ESTIMATED COSTS
1. Cost of Construction Loan Commitments	\$
2. Cost of Architectural Plans and Specifications	
3. Costs of Zoning Approvals	
4. Costs of Engineering Studies	
5. Legal Fees	
TOTAL LOAN REQUEST	\$

NOTE: On a separate sheet, attach documentation to support cost estimates.

Explain how do you plan to repay this loan (e.g., out of the construction loan or other income).
Be as specific as possible. Attach additional sheets as needed.

TECHNICAL ASSISTANCE & SITE CONTROL
 To Establish Preliminary Feasibility of a Specific Project Prior to Gaining Site Control

ALLOWED USES		ESTIMATED COSTS
1. Initial Feasibility Studies		\$
2. Consulting Fees		
3. Cost of Preliminary Financial Application		
4. Other Fees		
Architectural Fees	\$	
Legal Fees		
Engineering Fees		
Development Team Fees		
TOTAL OTHER FEES		\$
5. Site Control Expense		
6. Title Clearance Costs		
TOTAL LOAN REQUEST		\$

NOTE: Attach documentation to support qualifications of consultant and cost estimates.

In the space provided, explain how do you plan to repay this loan (e.g., out of the construction loan or other income)? Be as specific as possible. Attach additional sheets as needed.

