

Vacant Site Acquisition Fund

Overview

The City of Boston, CEDAC and LISC will capitalize a new acquisition fund. The goal is simple: create a loan fund to help qualified nonprofit affordable housing development partners compete in today's real estate market. This fund will be used to acquire substantially vacant and underutilized parcels of land and buildings for future development as mixed-income and affordable housing. The funding will target Boston neighborhoods that are at risk of gentrification with potential displacement of long term residents.

Fund Highlights

Streamlined Application & Approval Process

- CEDAC will administer the fund, and approvals from LISC or other participating lenders will happen “behind the scenes” during underwriting. Lenders will strive to make funding decisions within 30 days of receiving a full application.

Predictable and Favorable Loan Terms

- Streamlined application and approval process
- Access to separate funding to help with site control deposits and carrying costs
- Below-market interest rates
- 3-year term, with options to extend for two additional years
- Affordability obligations that ensure future developments will meet Inclusionary Development Policy requirements, with at least 40% of units affordable to households with incomes up to 70% AMI for rental developments, with a stated preference for deeper or additional affordability.
- Acquisition loan amounts up to 100% LTV,

Other Features Include:

- The City of Boston's Department of Neighborhood Development will provide information to nonprofit developers looking at prospective sites, including ownership status, liens, availability for purchase, tax title, etc. DND will work with other City and State agencies to identify parcels and obtain relevant information on behalf of nonprofit developers whenever possible.
- The Vacant Site Acquisition Fund will provide borrowers with “One Stop Shopping” for funding to secure site control, acquire the property, and defray carrying costs of the vacant land or building.
- Independent appraisals will help to establish fair market values and ensure Borrowers do not overpay. Information regarding likely variances, as well as re-zoning efforts underway that could have an impact on the current value of the property, will be provided to the appraiser.
- Borrowers may access additional resources to pay for site control deposits and carrying costs, as well as utilize CEDAC's other lending products to assist with pre-development expenses.
- DND will work with the owner and the Assessor's office to ensure that current valuations of sites take long-term affordability into consideration.