



Multifamily Investment Fund

DCHFA’s Multifamily Investment Fund co-invests with local developers to develop affordable middle-income rental housing. DCHFA’s Housing Investment Platform will invest up to 80% of required equity in projects that deliver housing affordable to households up to 120% of Median Family Income (MFI) in the District.

DRAFT GENERAL INVESTMENT TERMS*

Eligible Developers	Local developers with market knowledge, technical expertise, and a demonstrated track record
Eligible Projects	New Construction and Substantial Rehabilitation projects with 5 or more units
Investment Size	Lesser of up to \$2,000,000 or 80% of required equity
HIP Target IRR	12%
Return Distributions	<ul style="list-style-type: none"> ▪ Distributions will first be made to ownership interests until the Preferred Return has been achieved. ▪ Distributions in excess of the Preferred Return will be distributed 80% to the Developer and 20% to HIP
Fund Position	Limited Partner / Non-Managing Member
Governance	HIP has consent rights over major decisions
Guarantees	Developer and Key Principals will provide HIP with a guarantee of lien free completion
Application and Placement Fee	\$1,000 and 1% of HIP’s investment commitment
Construction Management Fee	TBD
Affordability Requirement	Projects must enter into a 10 year affordability covenant restricting rents to households earning at or below 120% of MFI
Bonding Requirement	A full Payment and Performance Bond from an “A” rated surety
CBE Requirement	Developer must be a certified CBE with SBE points or agree to contract 50% of the hard costs to a certified CBE with SBE points
Due Diligence	Standard third-party reports required, including Appraisal and Phase I Environmental Site Assessment

*Terms are subject to change without public notice

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