



Warren County Local Development Corporation

Residential Pre-Development Loan Program for OUTSIDE the Blue Line

The Warren County Local Development Corporation ("WCLDC") has established a loan fund of \$ _____ for the purpose of providing project financing assistance to qualified builders and projects for capital costs and related soft costs associated with new construction of single or multi-family homes, or new construction of rental properties in buildings meeting the unit requirements as specified below.

PRIORITY PROJECTS:

The WCLDC prioritizes projects that will have maximum impact in addressing the housing shortage as reported in the 2023 Warren County Housing Needs Study & Market Demand Analysis.

Priority is Given to Developments **that are:**

- **Directed at** year-round residents working in Warren County
- **Directed at** residents earning 40-120% AMI (approximate annual income of \$58-87k family of two; \$62-93k family of three)
- **Demonstrating conformance with locally adopted community plans (comprehensive, district, Brownfield Opportunity Area, etc.) and zoning laws**
- Partnerships with Regional Employers

PROGRAM TERMS:

Eligible Applicants:

- Builders/Developers (nonprofit or for profit) with a verifiable record of constructing single or multi-family housing.

Eligible Projects:

- New construction of single-family homes, duplexes or townhouses which are intended to be owner-occupied by year-round residents
- New construction of rental properties which are not intended for short-term-rentals
- Minimum of 4 units
- Project location must be in Warren County, NY and outside the Adirondack Park (aka the Blue Line) **and supported by locally adopted community plans and zoning laws.**

Eligible Uses of Funds:

- Permitting costs and fees, survey costs, engineering and legal fees, and other pre-development expenses as agreed

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Pre-Development Loan Program for Residential Developments Outside the Blue Line

Financing Requirements:

To be eligible for funding under this program, the applicant must provide evidence of adequate funding to complete the project. Applications must be accompanied by a preliminary development budget demonstrating sources and uses of funds.

LOAN TERMS:

The Pre- Development Phase:

- Begins with the disbursement of funds and end upon project approval
- Is not to exceed 24 months; extensions may be granted at the discretion of the WCLDC Board of Directors.

During the Pre- Development Phase, Builder/Developer agrees to provide quarterly progress reporting

Loan Amount \$25,000.00 per eligible project

Repayment Terms During Pre-Development Phase

Interest Rate: 1% per annum during the Pre-Development Phase

Payments: Interest only payments are due monthly during the Pre-Development Phase

Repayment Terms Upon Project Approval

Repayment of loan balance is due upon receipt of construction financing

Repayment Terms Upon Project Denial (or commencing at 24-month mark with "no go" decision)

Interest Rate: 3% per annum

Payments: Principal and interest payments due monthly; amortized over 7 years,

Security: Personal Guarantee

Fees: \$50.00 application fee

Deliverables for Board Review:

- Completed application and fee
- Documents demonstrating prior experience with like construction projects
- Lending Institution commitment letter or other satisfactory evidence of funding
- Project budget, including income, expenses, sources and uses
- Personal Guarantee
- Signed affidavit confirming units being constructed are not to be used for short-term rentals

Applications are reviewed using a point system (TBD)