



SHARING

CONNEXION

REAL ESTATE IMPACT PROGRAM

Nonprofits and affordable housing use real estate to serve their communities, and putting together financing for these projects can be especially difficult. Nonprofits typically conduct fundraising capital campaigns, but they need some assistance bridging funds or quickly acquiring a site. Affordable housing is a complex financing model require multiple sources and subsidies to ensure people have a safe place to call home. Our Real Estate Impact program is here to serve these lending needs, offering accessible options to mission-minded borrowers and acting as a partner to support these important community assets.

SHARING CONNEXION
SUPPORTS MISSION
FOCUSED REAL
ESTATE PROJECTS!



HOW WE CAN HELP

PRE-DEVELOPMENT LOANS

Pre-development loans provide money to a project prior to construction funding with repayment most likely coming from the construction loan. The general guideline for predevelopment loans is no greater than \$750,000 and no longer than a 24 month term. It will likely be secured by a lien on the land. These are more commonly used for affordable housing.

BRIDGE LOANS

Bridge loans are flexible in use. It is intended to be a gap funding source with a strong financial position. Bridge loans are uniquely structured so the repayment will vary depending on the project. The maximum term is 36 months or less. The maximum amount is \$2,500,000. The preferred (or more likely to receive funding) amount is under \$1,000,000.

ACQUISITION LOANS

Acquisition loans are used for the purchase or acquisition of land or an asset in need of improvements. The borrower would likely be repaying through a construction or permanent loan. The term for an acquisition loan should be no more than 24 months, but in rare cases could be up to 36 months. The maximum amount is \$2,500,000, and the preferred (or more likely to receive funding) amount is under \$1,000,000.

HOW OUR FUNDING WORKS



FirstBank is a proud partner of Sharing Connexion and made a generous commitment of a \$30 million credit facility for our mission's purpose. Sharing Connexion then blends these dollars with money from our Capital Fund to underwrite our Real Estate Impact loans. Sharing Connexion continues to grow our Capital Fund through fundraising from supportive donors and through our sustainable programming model which recycles previous loans and generates allocated funds from our Real Estate Donation program. For more about our funding processes and procedures, see page 3.

APPLICATION & PROCESSES



#1

Inquiry Form

Visit our website, sharingconnexion.org, to fill out our inquiry form on the Real Estate Impact webpage.

#2

Meeting

Staff will reach out to schedule an initial meeting, either in-person or virtual, to learn more about the project and assess loan priorities and mission alignment.

#3

Application

If project aligns, staff will invite to apply and send our loan application. The loan application includes the following sections: borrower information, project description, financial overview, and loan checklist.

#4

Review Period

The Fund Management Committee will review application and materials. We may reach out with some additional clarifying questions or requests during this time. Expect 30 to 45 days.

#5

Terms

Once reviewed and if approved, we will send a term sheet. If applicant accepts the terms, they will sign and submit a deposit to cover any necessary third-party reports.

#6

Loan Closing

Upon signed term sheet, expect 30 to 45 days to close, including any third-party reports needed. Our Board votes on loan approval. Funds will be wired at closing.

REPAYMENT

Repayment timelines are built into the term sheet. (For general expectation of timelines, please see the loan descriptions on page 2). Sharing Connexion allows prepayment on all loans. When notified of an upcoming prepayment or upon a repayment deadline, we will send the final amount to be settled. Funds will be repaid via wire.

LOAN PRIORITIES

AFFORDABLE HOUSING

- Deep Affordability
- Affordable Homeownership
- Areas Vulnerable to Displacement
- Permanent Supportive Housing
- Family Friendly Housing
- Transitional Housing
- Housing for Unique Populations

NONPROFITS

- Shelters, Transitional Housing, & Homeless Services
- Economic Development & Employment
- Food Distribution
- Youth Development
- Civic Organizations, Capacity Building, & Community Services
- Social Services
- Therapy and Rehabilitation

OUR GLOSSARY OF DEFINITIONS

Deep affordability: serving households under 30% area median income (AMI).

Affordable homeownership: homeownership for those under 80% area median income (AMI).

Areas vulnerable to displacement: A qualifying neighborhood is either a) in the process of gentrification, b) has a high population of minorities, or c) has rental prices that have escalated 50% or greater in recent years.

Permanent supportive housing: low-barrier affordable housing combined with healthcare and supportive services to serve chronically homeless and particularly high-need individuals. This type of housing typically targets 30% AMI households and voucher holders.

Family friendly housing: affordable housing with a high 2 to 3 bedroom count, comprising at least 25% of all units.

Transitional housing: affordable housing (60% AMI) with term-limited stays of 3 years or less.

Housing for unique populations: specialized housing developments that focus on specific populations and cater property management strategies, design, and services to serve these specific needs. "Unique populations" may include, but is not limited to, the following: persons with an intellectual disability, transitioning out of a correctional facility, needs mental health care, or who have experienced abuse or sexual trauma. Also, "unique populations" may be in regard to specific employment such as teachers and veterans.

Shelters, transitional housing, & homeless services: nonprofits focused on short-term, immediate housing solutions for disadvantaged persons experiencing housing instability.

Economic development & employment: These nonprofits are focused job creation, skills and training, provide workforce development or support services for low-income sectors, and/or provide employment mentoring.

Food distribution: Food banks, organizations creating health food access, and/or food delivery organizations.

Youth development: These organizations help youth 18 and under learn skills and competencies to become good citizens. They may be educational, mentoring-focused, scholarship-focused.

Civic organizations, capacity building, & community services: These organizations typically have a high volunteerism component. They may support other nonprofits and community efforts with financial assistance, training, resources, and/or professional services. They may focus on revitalization, clean up, and community building.

Social services: nonprofits that provide counseling, subsidy distribution, adoption/foster care services, healthcare subsidies, job procurement assistance, or advocacy for children.

Therapy and rehabilitation: may serve mental healthcare needs, substance abuse, and/or specialized treatment.

CASE STUDY: Spring Creek Apartments



Spring Creek Apartments in Gypsum, Colorado, primarily developed by Gerry Flynn of Polar Star Properties, aimed to alleviate unaffordability burdens on multiple levels. Phase I provides 150 low-income housing tax credit units targeted at households earning up to 60% AMI. Phase II produced 132 units of ‘workforce housing,’ or households with AMIs of 80 to 120%, and includes 72 two- or three-bedroom apartments, which will help serve cost-burdened families.

Sharing Connexion provided a \$1.75 million bridge loan under its Real Estate Impact program, which was used for planning and pre-development expenses for Phase II. The Phase II workforce housing is often referred to by affordable housing advocates as the “Missing Middle,” since moderate-income housing projects can be particularly difficult to develop due to lack of subsidies, high land valuations, and construction costs. Sharing Connexion was proud to support this project.



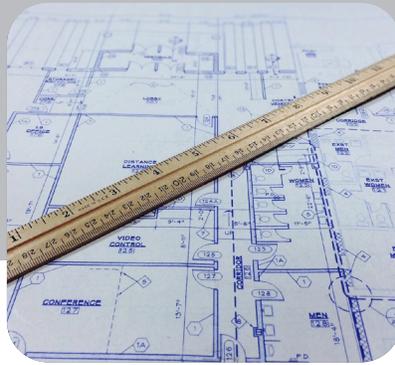
“It was also a pleasure working with you all. The only glitch we had was beyond our collective control [the delays caused by early days of processing COVID-19 PPP loans]. Everything after that went smoothly and we actually got it paid off prior to initial maturity... The bridge loan was a breeze. You all were easy to deal with and always solution oriented. We would absolutely work with you again if the opportunity arises,” says Gerry Flynn of Polar Star Properties.

CASE STUDY: Bud’s Warehouse



Nonprofit social enterprise venture Bud’s Warehouse provides opportunities to rebuild lives through career and life-skill development program for employees. In 2016, they were looking for a new facility due to displacement from their original facility. In their search, they desired to expand their warehouse and re-locate to better serve their clientele. Sharing Connexion provided a loan, as a final source of gap financing for the purchase of their facility. Since moving, Bud’s Warehouse has seen an increase in sales. Sharing Connexion enjoyed assisting Bud’s Warehouse in securing new space to better serve the economic development needs of their community.

“Our organization was facing a serious real estate challenge because of the I-70 expansion project. How fortunate it was for us to be referred to Sharing Connexion... I especially appreciated their creative solutions to financing problems that can sometimes be daunting to community organizations. Sharing Connexion’s advice and investment made it possible for us to purchase our building and continue our mission of employing individuals rebuilding lives. We are so thankful for their help!” says Jim Reiner of Belay Enterprises, the parent nonprofit of Bud’s Warehouse.



FREQUENTLY ASKED QUESTIONS

What type of rates and terms should we expect?

We aim to have similar rates to Community Development Financial Institutions (or CDFIs). We are not a banking entity, so we cannot compare to bank rates. We are also not a foundation, so we do not engage in Program Related Investments (PRIs) or grantmaking. Rates will vary project to project. Type of loan (balloon, interest only, etc.) will be determined based on project factors. Guidelines for term length are outlined underneath our loan types.

Do you have an origination fee?

Yes, we will have a nominal origination fee. We also have a deposit upon term sheet signing for any needed third-party reports; however, any remainder will be applied after it is underwritten.

Why should we work with Sharing Connexion?

Sharing Connexion is mission minded and supports nonprofits and affordable housing. Our team has a strong background in commercial real estate, with over 250+ years experience on our board and 1000+ years experience on our advisory board. We are not just lenders, but we are also partners. We champion real estate projects we believe in and support creative community leader's real estate vision.

What if our loan request doesn't fit within the guidelines outlined?

All real estate projects can have their own unique quirks. We suggest reaching out to us for a meeting so we can learn more about why your project falls outside the guidelines. If it is an excellent priority and missional fit and the project details are sensible, we may be able to go outside of procedure.

Will you keep our project information confidential?

Yes. Sharing Connexion has a Privatization Policy on our website, and we encourage you to review it to learn more. We do ask that at time of underwriting Sharing Connexion can put out a press release and subsequently can feature you in communications, with your expressed approval.

Where do you work?

Our home base is Denver, Colorado; the Real Estate Impact program is currently limited to Colorado.

MORE ABOUT US



Formed as a 501(c)(3) public charity in 2015, Ed Anderson, the Chief Executive Officer of a for-profit real estate investment firm, founded Sharing Connexion Inc. Sharing Connexion exists to provide real estate resources, solutions, and support to nonprofits and affordable housing organizations.

OUR MISSION: to provide housing organizations and nonprofits with real estate expertise, funding, and preservation.

We operationalize our mission through three unique programs:



REAL ESTATE DONATIONS

We team up with nonprofits to make real estate donations less complicated. With our expertise and partnership, we mitigate the nonprofit's risk, maximize the value of the property, and arrange the sale, thus growing their funds and capacity to serve their mission.



REAL ESTATE IMPACT

We use our fund to generate key real estate financing tools: buying, building, and renovating affordable housing projects and nonprofit program spaces. Our loan products offer low-interest solutions for mission-based real estate serving in-need populations.



REAL ESTATE RESCUE

We aim to preserve and protect affordable housing & nonprofit real estate from displacement through our short-term acquisition solution. We act as a partner to quickly save facilities, securing housing affordability or empowering a nonprofit into ownership.

OUR VISION: Real estate philanthropy will empower nonprofits and expand affordable housing options.

For more information about our programs and to follow along with updates, visit sharingconnexion.org.

On the following page, you can learn more about our team and how to contact us.



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