



Navigator Pre-Development Loan

FREQUENTLY ASKED QUESTIONS



What is the relationship between Inclusive Prosperity Capital and the Philadelphia Green Capital Corp?

Inclusive Prosperity Capital (IPC) and the Philadelphia Green Capital Corp (PGCC) entered into a cooperative agreement in 2019 to introduce the Navigator and Catalyst loans in the Philadelphia market. PGCC is engaging with property managers, owners, and developers, and contractors to provide market education about these loan products, as well as providing assistance to identify eligible projects and preparing loan applications. IPC is performing the loan underwriting and managing the loan approval, closing, and servicing processes.

What types of properties are eligible to take advantage of the Navigator Pre-Development loan?

The Navigator Pre-Development Loan is intended for affordable or market rate multifamily properties of five or more (5+) units and non-profit organizations.

What types of expenses does the Navigator Pre-Development Loan support?

The Navigator Pre-Development Loan supports well-designed energy savings projects, including energy audits and benchmarking, green charrettes, design, engineering, and bidding work, and/or other reasonable energy-related design and financing costs for renewable and energy efficiency projects. Additional qualified pre-development costs (legal fees, environmental, permits, etc.) may be included based on the green building standard the project aims to achieve.

What are the size limits for the Navigator Pre-Development Loan?

The Navigator Pre-Development loan program has a maximum loan amount of \$2,000,000. In certain cases, higher loan amounts may be considered; please contact IPC for details.

(Continued on reverse)



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How do I apply for the Navigator Pre-Development Loan?

To apply, property owners should submit a proposed project description, summary of qualifications of proposed pre-development vendors, and property financials (including insurance). For property owners wishing to use this product on multiple properties, one loan application can be made at the corporate level, and the loan can then be applied to each individual property as underwriting allows.

How are contractors and vendors vetted?

During the application process, IPC will request and review a Statement of Experience for Technical Service and previous examples of similar work from the proposed vendor. For a vendor to be qualified to perform an energy audit, IPC requires that a relevant staff member be a licensed engineer or have a relevant ASHRAE or AEE certification.

How much of my project's pre-development costs can Navigator fund?

The Navigator Pre-Development loan can fund up to 80% of the eligible pre-development costs. Financials will be evaluated to determine owner ability to fund the required 20% loan co-pay.

What are the repayment terms of the Navigator Pre-Development loan?

The standard term is 24 months, with repayment due at the end of that period or upon project funding, whichever is sooner. Interest rates are based on the green attributes (i.e. Energy Star, LEED Platinum, Passive House, etc.) of the project. Rates range from 5.5%-7% for projects serving low-income communities and 7.5%-9% for market-rate projects. Loans are generally unsecured, although personal or corporate guarantees may be required, based on underwriting*.

If I wish to move forward with the recommendations of the energy analysis, does IPC offer project term financing?

Yes. IPC's Catalyst Term Loan provides permanent financing for energy savings projects. Terms for the Catalyst Loan range from 7-20 years and interest rates of 5.79-6.99%. Projects are underwritten and approved based on energy savings that substantially exceed debt repayment for a given project.

Who do I contact with questions on the Navigator Pre-Development Loan?

If you have any questions about the application process or terms of the Navigator Pre-Development Loan, please contact the IPC team by email at multifamily@Inclusiveteam.org.

** Note: Personal or corporate guarantees are a requirement for new construction or gut rehabilitation projects.*