

Current Trends in Tax Exempt Financing for Multifamily Housing

PHFA 2017 Housing Forum

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Mission First Housing Group



OUR VISION AND MISSION

Mission First Housing Group's mission is to develop and manage affordable, safe and sustainable homes for people in need, with a focus on the vulnerable. We ensure our residents have access to resources to help them live independently. We deliver housing that provides long-term benefits to residents and neighborhoods alike.

A full service real estate organization that develops and manages multi-family, affordable rental housing for individuals and families in need



CORE VALUES

Fairness

We believe that everyone deserves to live in a safe, affordable, sustainable home.

Collaboration

We believe that by working together, we can help more people.

Stewardship

We believe it's our responsibility to carefully steward the resources entrusted to us by our funders and partners on behalf of our residents.

Leadership

We strive to be a leader in the field of affordable housing.

Accountability

We expect to be held accountable by many people: our residents, Board of Directors, employees, partners, funders and vendors.

PORTFOLIO

3,020 Affordable Apartments

310 Affordable Housing Units Under Construction (one Passive House)

408 Buildings Owned

4 Properties Certified USGBC LEED® for Homes, including one Platinum and one Gold

25 Low-Income Housing Tax Credit Projects

Providing safe, affordable, sustainable homes to more than 4,000 people in over 3,000 units.



PEOPLE

4,500 People Housed

800 Previously Homeless with Behavioral Health People Housed

More than 200 Veterans Housed

Nearly 800 Seniors Housed

MISSION FIRST HOUSING GROUP

1260 Housing Development Corporation
Columbus Property Management & Development, Inc.
Mission First Housing Development Corporation
Dover Housing Development Corporation
ACHIEVEability
Making It Possible to End Homelessness



CURRENT TRENDS FOR 4% PROJECTS

- Market beginning to improve
 - 9% deals—10-15 cents lower
 - 4% deals—15-20 cents lower—losses are a greater proportion of investor return
 - CRA markets low-mid 90s, non CRA markets mid 80s
- Deals are closing
- Corporate tax rate adjusters—concept is acceptable but difficult to negotiate
- Investors facing potential write-downs on their existing portfolios
- Investor approval process more difficult—no exceptions, “clean deal”
- Section 8 overhang risk—may see increasing concern among lenders and investors



| Ideal 9% timeline | | | | | Ideal 4% timeline | | | | | |
|-------------------|---------------------------|------------------------|---------------------------------|--------------------|-------------------|---------------------------|------------------------|-------------------------|-------------------------------------|-----------------------------|
| month | milestone | design/ apr/ 3rd party | financing/ regulatory | residents/ leasing | month | milestone | design/ apr/ 3rd party | financing/ regulatory | residents/ leasing | |
| Sept 1 | kickoff | | | | Sept 1 | kickoff | | bid/select | | |
| Oct 2 | | schematic | soft \$\$ app/awd | | Oct 2 | | schematics | investor and | strategy: temp | |
| Nov 3 | | zoning | prelim LOIs | mkt study | Nov 3 | | design dev | lender | relo or occ rehab? | |
| Dec 4 | | land dev | HUD? | | Dec 4 | | DD cost est | | prelim plan and | |
| Jan 5 | PHFA app | prelim cost est | RAD CHAP | | Jan 5 | PHFA app | zoning? | RAD CHAP | relo cost est | |
| Feb 6 | | | | | Feb 6 | | land dev? | | HUD conversation | |
| Mar 7 | | | | | Mar 7 | | | HUD app | | |
| Apr 8 | | | | | Apr 8 | | | constr docs | due diligence | notices |
| May 9 | PHFA approval | wait | wait | wait | May 9 | PHFA approval | final price | RAD fin plan | relo plan/bud | |
| Jun 10 | | | | | Jun 10 | | | bldg permit | HUD? | retain URA |
| Jul 11 | | | | | Jul 11 | | | stormwater? | | consultant? |
| | | | | | | | | bldg permit | | |
| Aug 12 | 90% Plans, Tech Serv/ P&C | design dev | bid/ select investor and lender | | Aug 12 | 90% Plans, Tech Serv/ P&C | | due diligence | detailed phased unit by unit plan | |
| Sept 13 | | constr docs | RAD fin plan | | Sept 13 | | | prop mgmt/ constr coord | negotiate docs | Pre-construction relocation |
| Oct 14 | | final price | | | Oct 14 | | Closing | sign contracts | | perm relocation |
| Nov 15 | | stormwater | due diligence | AFHMP | Nov 15 | | Construction | | | |
| Dec 16 | site plan | | | Dec 16 | | | | | temporary relo or hospitality suite | |
| Jan 17 | bldg permit | final HUD appr | | Jan 17 | | | | | | |
| Feb 18 | | | | Feb 18 | | | | | perm relocation? | |
| Mar 19 | Closing | sign contract | negotiate docs | | Mar 19 | | | | | |

