

NCSHA 2018

**Development:
Achieving Long-Term
Affordability**



NATIONAL AFFORDABLE HOUSING TRUST

- 32 years & over \$1.2 Billion of investor capital
- Providing Development Consulting and Equity Investment in over 18,000 new and preserved affordable homes
- An affiliate of Stewards of Affordable Housing (SAHF) a collaboration of 13 national non-profit affordable housing developers & owners



NON-LIHTC FINANCING

Acquisition Funds

1. Property ROFR Purchase
2. Limited Partner Interest Purchase
3. “At Risk” Affordable Properties

Options

1. Traditional First Mortgage
 - a. LTV Constraints
 - b. Term
 - c. Pre Payment or Lock Out Terms
2. Acquisition Funds
 - a. Flexible
 - b. Quick Closing

NAHT EFFORT WITH MORGAN STANLEY & LIIF

TARGET PROPERTIES:

- ✓ Acquisition of Limited or General Partner interest in LIHTC Year 10-15 (both Family and Seniors)
- ✓ At-risk restricted rent properties

TARGET GEOGRAPHY:

- ✓ National - primary/secondary/tertiary markets

LENDING OPTIONS:

- ✓ First Mortgage up to \$10M
- ✓ Subordinate Mortgage up to \$5M
- ✓ Unsecured Loan up to \$2M

TARGET PARTNERS:

- ✓ National Non Profit, responsible owner-operators

EXPECTED HOLD PERIOD:

- ✓ First & Second up to 5 years
- ✓ Unsecured up to 3 years

COLLATERAL & FEES:

- ✓ Loan amount up to 105% LTV with Mortgage & Corporate Guaranty
- ✓ 2% + Closing Costs

NON-LIHTC EQUITY

1. Real Estate Investment Trusts (REITS)
2. 7 – 10 year Equity Funds
3. Regional Funds for local properties

Benefits:

1. Flexibility & Quick to Deploy
2. Cash Flow Distributions vs monthly Interest Expense

Key Differences from LIHTC Equity:

1. Cash Flow expectation
2. 80 – 90% Ownership
3. Return of Capital + Participation in “Up Side”
Expectation at Disposition



NAHT EFFORT WITH COMMUNITY DEVELOPMENT TRUST



TARGET PROPERTIES:

- ✓ LIHTC Year 10-15 (both Family and Seniors)
- ✓ Project-based Section 8 and other misc. HUD properties
- ✓ At-risk workforce housing

TARGET GEOGRAPHY:

- ✓ National - primary/secondary/tertiary markets

TARGET PROPERTY SIZE:

- ✓ 100+ units per property preferred

TARGET PARTNERS:

- ✓ Mission-oriented, responsible owner-operators

EXPECTED HOLD PERIOD:

- ✓ 10+ years (shorter term considered under specific circumstances)
- ✓ CDT is not a closed-end fund

CDT'S INVESTMENT SIZE:

- ✓ \$2-20 million per property

PARTNERSHIP STRUCTURE:

- ✓ CDT: 80-90% limited partner/investor member
- ✓ Partner: 10-20% general partner/managing member