

Maximizing Outcomes with Data-Driven Policies



**HOUSING
CREDIT
CONNECT**



NCSHA
50 YEARS

PANELISTS

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Partner, Chief Property Management and Talent Officer and Executive Vice President |
Dominium

DISCUSSION LEADER

BETTIE TEASLEY

Manager of Policy and Research | North Carolina Housing Finance Agency

We have a problem to solve...

The New York Times

New York City's Housing Crunch Is the Worst It Has Been in Over 50 Years

Only 1.4 percent of the city's rentals were available in 2023, according to new data, the lowest portion since 1968. The market was even tighter for lower-cost apartments.



Housing experts say there just aren't enough homes in the U.S.

APRIL 23, 2024 · 4:04 PM ET

FORTUNE

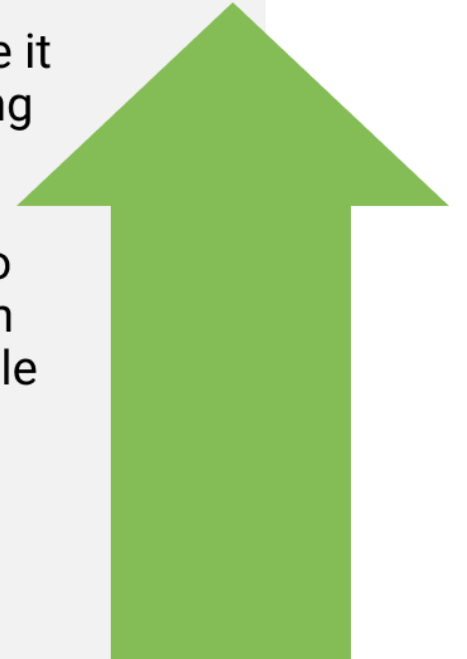
'It's a freaking nightmare right now': Housing affordability crisis decades in the making explodes during election year

Build more housing, through faster, hurdle-free financing cycles.

Builders Patch wants to make it possible to build more housing quickly, and affordably.

We create technology tools to make the financing part much faster and more effective while reducing costs.

Our platform serves both developers and lenders.



Can housing projects be lined up faster?

5 years

From planning & first applying to get funding to completing a multifamily housing project so that tenants can move in.



TECHNOLOGY & POLICY combined can greatly speed up the process:

- predictive AI to analyze where & what to build
- reduce preparation time needed
- reduce red tape needed & optimize processes
- modify zoning policies, QAPs, tax deductions, etc.



Shrink the timeline to half!

The hurdles in the way of faster housing development

Developers would like to build as fast as possible, but they face obstacles even before breaking ground:

- Site selection: **where to build?**
- No. of units, budget: **what to build?**
- Financing sources: **where to get the money?**
- Assemble the deal physically & financially: deal team, due diligence material, securing funding sources: **how to do it?**



SOLUTION

How technology can help?

How to find the S&D gap?

#1

➔ **Identify severe shortage cases.**

Housing Count

[our public data project]

How much a project should cost?

#2

➔ **Predictive AI & project database.**

How long it takes to fund?

#3

➔ **Speed up the process.**

Builders Patch

[Builders Patch has complete digital workflow for streamlining the U/W & closing process]

How policy can help?

Identify where to build.

#1 → **Modify zoning where needed.**

Identify for whom to build.

#2 → **Adapt QAPs to match demand.**

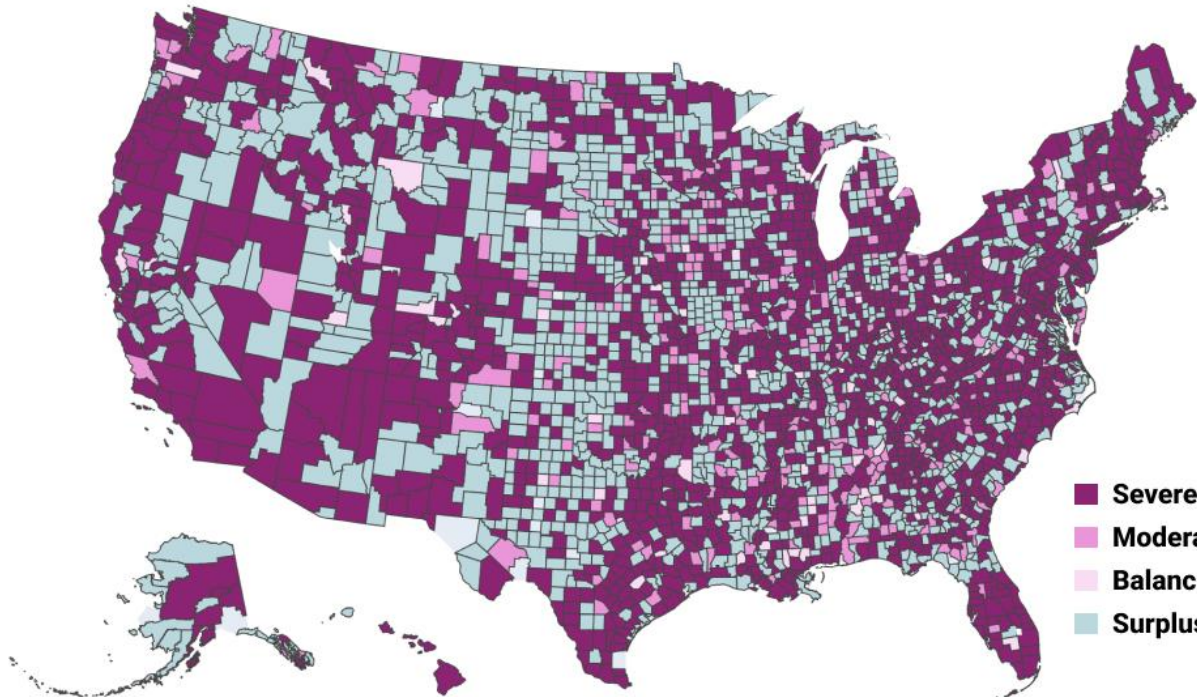
Estimate the costs.

#3 → **Approve & fund projects faster.**

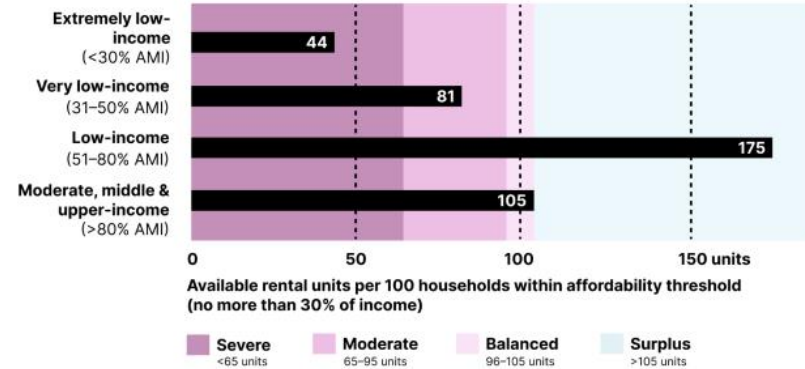
Intro: Housing Count

County-level shortage by income group

- Extremely low-income
- Very low-income
- Low-income
- Moderate, middle & upper-income



- Severe shortage**
- Moderate shortage**
- Balanced S&D**
- Surplus supply**



Available rental units per 100 households within affordability threshold (no more than 30% of income)

SHORTAGE STATISTICS FOR HOUSEHOLDS EARNING LESS THAN 50% AMI

- 21** states with severe shortage
- 75%** of households rent-burdened
- 4.5M** total shortage of affordable units

Shortage of affordable housing (ELI + VLI)			
#	State	Missing units	S&D ratio
1.	Nevada	76,938	32.4
2.	Puerto Rico	79,323	34.5
3.	Florida	393,923	38.9
4.	New Jersey	185,037	44.0
5.	California	854,839	44.2

Housing shortage trends (2019–22)

Renter household increase 2019–2022

1. Texas	257,981
2. New York	90,972
3. Florida	90,047
4. New Jersey	74,697
5. Massachusetts	44,922

Total renter households 2022

1. California	5,908,461
2. Texas	3,944,826
3. New York	3,476,404
4. Florida	2,767,517
5. Illinois	1,655,952

Texas

Texas is especially feeling the rental pressure from the population influx.

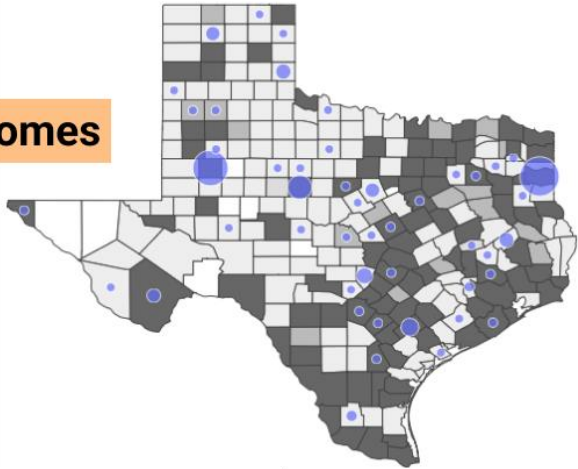
Changes in the housing shortage severity 2019–2022

State	ELI ($\leq 30\%$ AMI)	VLI (31-50% AMI)	LI (51-80% AMI)	MI (81-120% AMI)	UI ($> 120\%$ AMI)
Texas	-1 %	-61 %	-67 %	138 %	-21 %
New York	20 %	60 %	-863 %	-14 %	573 %
Florida	-11 %	-35 %	-123 %	33 %	-156 %
New Jersey	36 %	20 %	1667 %	10 %	187 %
Massachusetts	29 %	8 %	238 %	26 %	366 %

Texas: expected loss of affordability

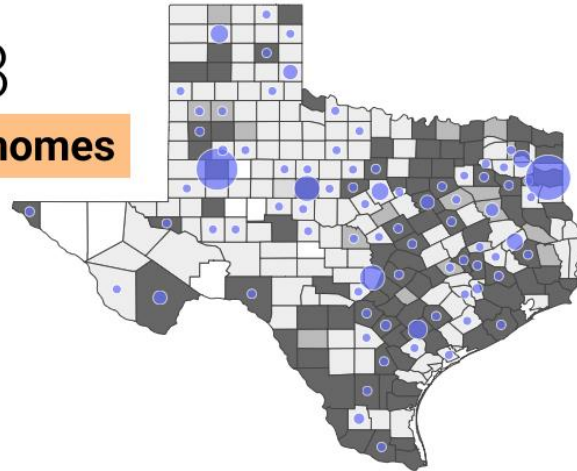
2026

16,603 homes



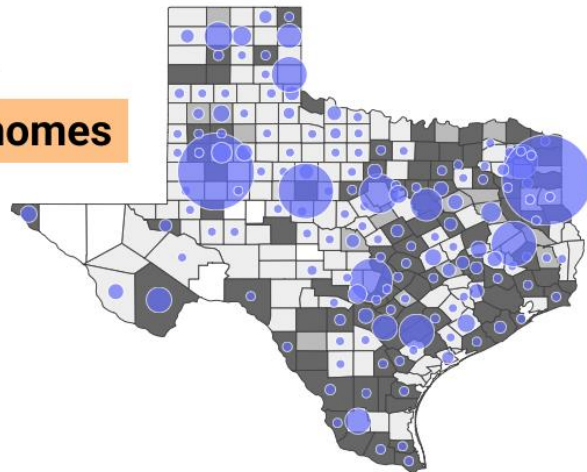
2028

26,625 homes



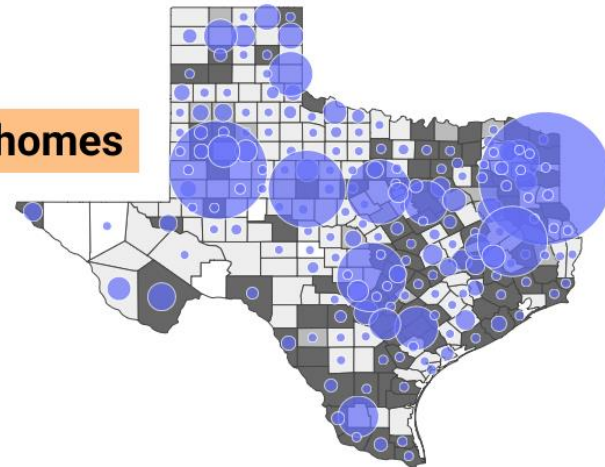
2033

59,882 homes



2038

116,116 homes



Migration trends: counties w/ most inbound renters

Increase in renter households: 2019–2022

County Name - State - Major City	Renter Households
Harris County, Texas (Houston)	39,279
Bexar County, Texas (San Antonio)	37,940
Philadelphia County, Pennsylvania (Philadelphia)	32,515
Travis County, Texas (Austin)	28,516
Cook County, Illinois (Chicago)	27,779
Miami-Dade County, Florida (Miami)	27,099
Kings County, New York (Brooklyn)	25,517
Tarrant County, Texas (Fort Worth)	24,798
King County, Washington (Seattle)	21,578
Orange County, California (Irvine)	21,707

We analyzed the top two counties w/ most incoming renter households.



Harris & Bexar County, TX

Shortage severity changes: Bexar County vs Harris County (Texas)

Change in shortage severity: 2019–2022

State	ELI ($\leq 30\%$ AMI)	VLI (31-50% AMI)	LI (51-80% AMI)	MI (81-120% AMI)	UI ($>120\%$ AMI)
Harris County, Texas	-4 %	-18 %	85 %	-31 %	18 %
Bexar County, Texas	0 %	62 %	44 %	29 %	-10 %

Rent-burdened households in 2022

State	ELI ($\leq 30\%$ AMI)	VLI (31-50% AMI)	LI (51-80% AMI)	MI (81-120% AMI)	UI ($>120\%$ AMI)
Harris County, Texas	77 %	127 %	45 %	39 %	4 %
Bexar County, Texas	65 %	91 %	80 %	52 %	9 %

Shortage severity changes: Bexar County vs Harris County (Texas)

Change in shortage severity: 2019–2022

State	ELI ($\leq 30\%$ AMI)	VLI (31-50% AMI)	LI (51-80% AMI)	MI (81-120% AMI)	UI ($>120\%$ AMI)
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Rent-burdened households in 2022

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Harris County, Texas	77 %	127 %	45 %	39 %	4 %
Bexar County, Texas	65 %	91 %	80 %	52 %	9 %

Harris County (Houston)

POPULATION (2022 CENSUS)

4.78 million

MEDIAN HH. INCOME

\$42,021 – \$48,606

HOUSING SHORTAGE

Extremely Low-Inc.

+ 4%

Very Low-Income

+ 18%

Low-Income

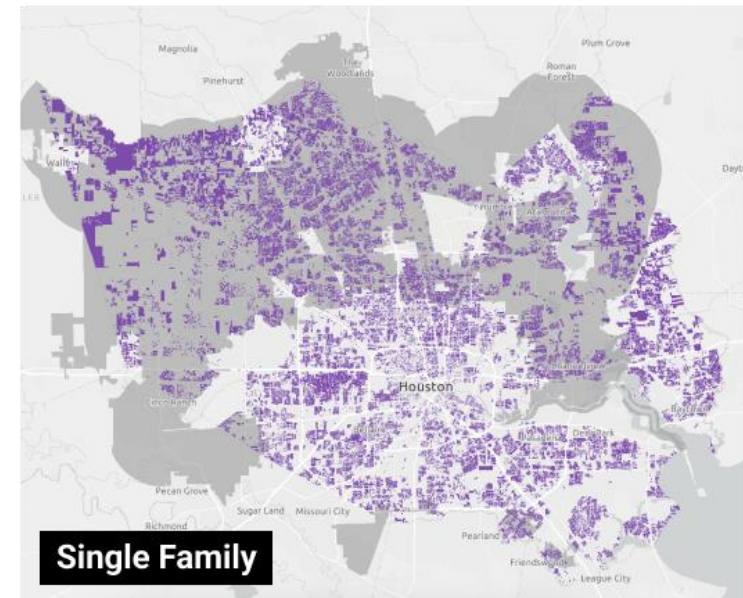
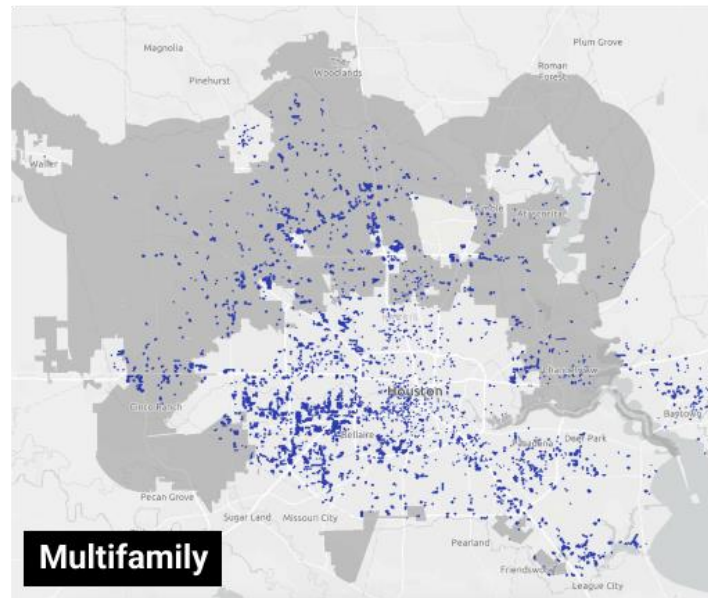
- 85%

Middle-Income

+ 31%

Upper-Income

- 18%



Bexar County (San Antonio)

POPULATION (2022 CENSUS)

2.06 million

MEDIAN HH. INCOME

\$42,021 – \$48,606

HOUSING SHORTAGE

Extremely Low-Inc.

0%

Very Low-Income

- 62%

Low-Income

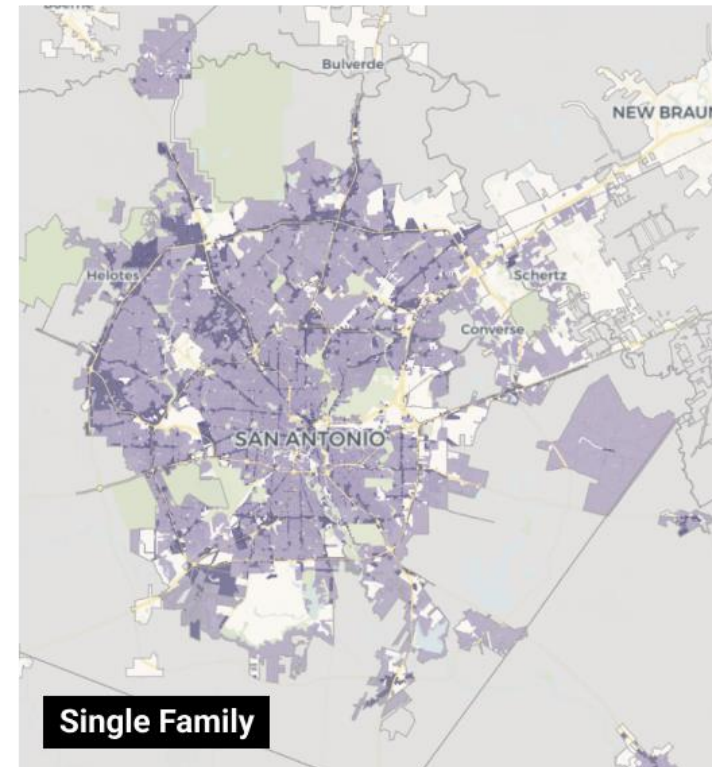
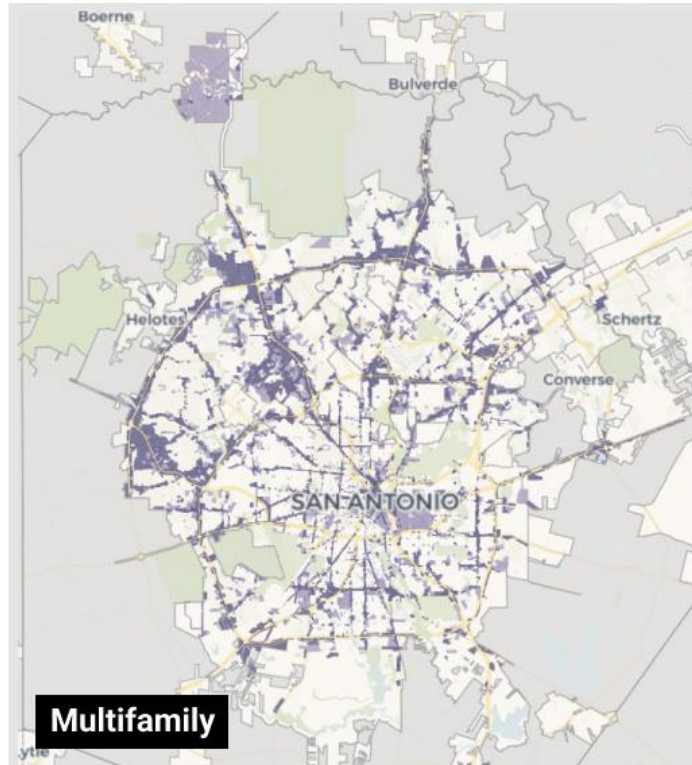
- 44%

Middle-Income

- 29%

Upper-Income

+ 10%



Technology + policy applied together will help ease the shortage

Demand & Shortage

Precise understanding of where the shortage is most pressing using county level data.

Site Selection

Opt for zoning modifications where needed, ease or enhance other criteria.

Numbers & Projections

Ideal # of units per site, units needed in the area & units possible w/in budget



Line up the financing & ease the development pipeline

Examples of successful policies

California

The California Housing Finance Agency's (CalHFA) **Mixed-Income Program (MIP)** was launched in 2017 following the passage of Senate Bill 2, the Building Homes and Jobs Act.

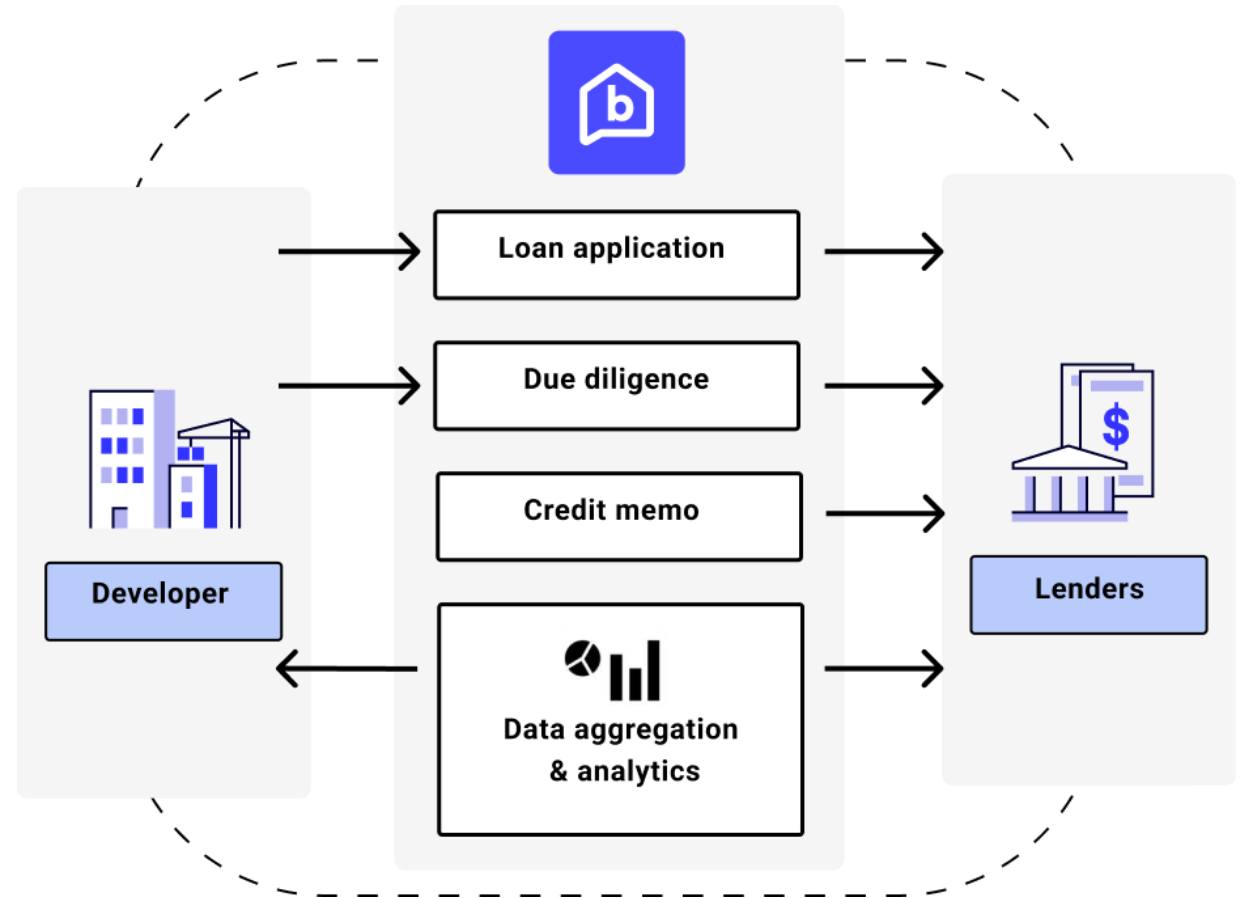
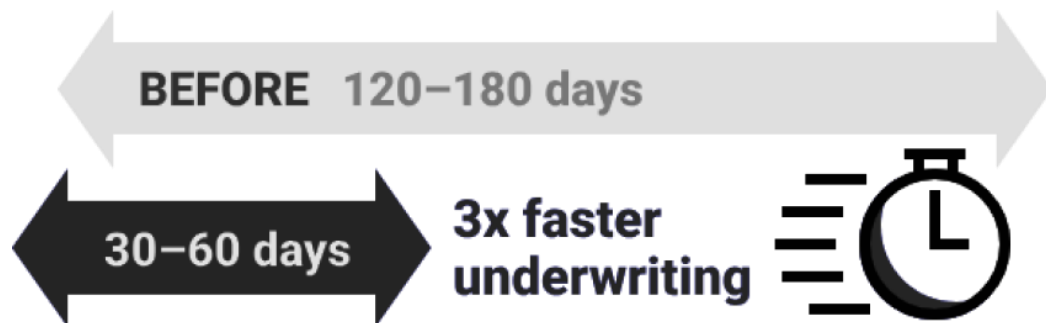
- The program was designed to create **mixed-income multifamily** housing for households with incomes between 30% and 120% of the Area Median Income (AMI).
- It aims to provide financing for new construction projects that serve a **broader range of income levels** than traditional low-income housing programs
- Move affordable housing construction **outside of areas of concentrated poverty** (mixed income neighborhoods)
- Through decreased red tape, projects should cost \$119,000 less per unit on average & construction can begin almost a year quicker

Colorado

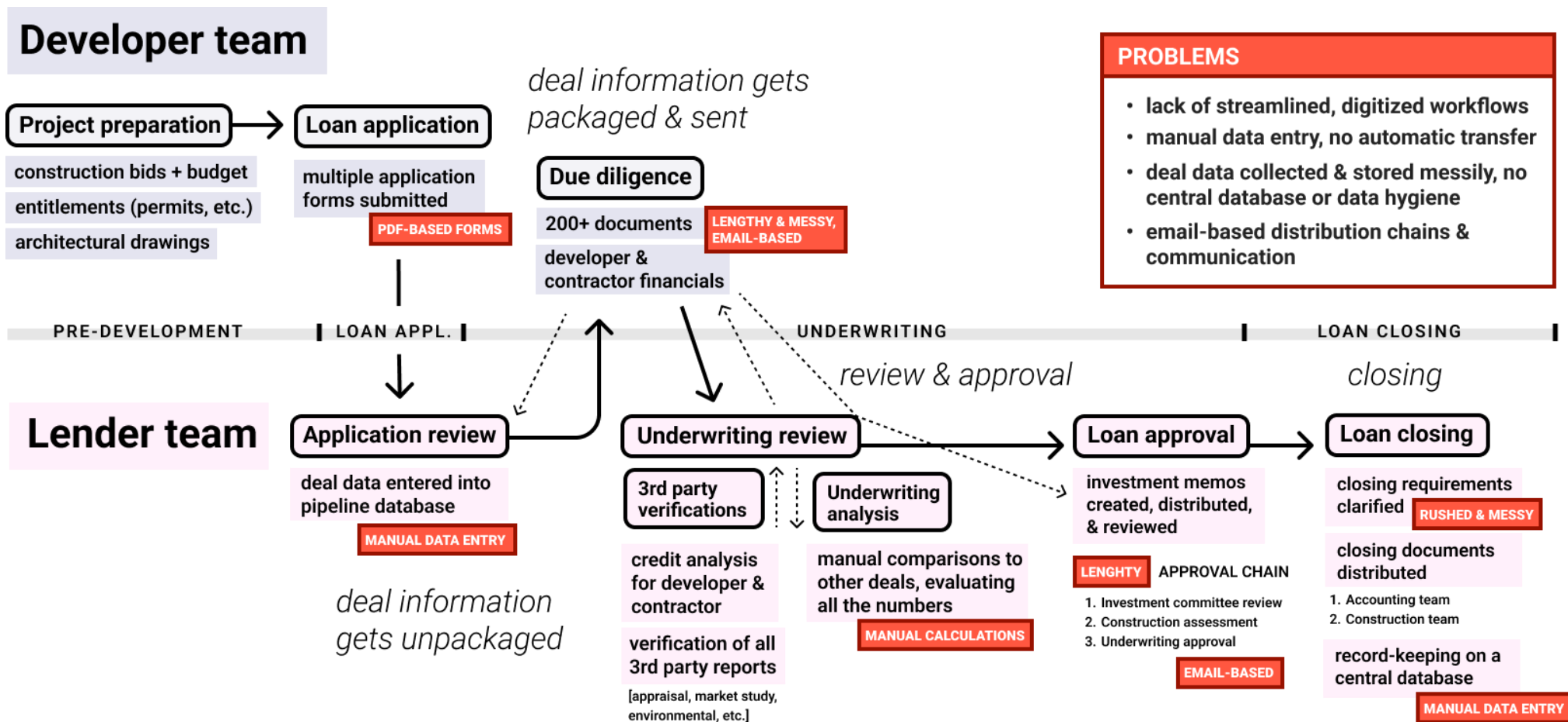
- **HB24-1175: Local Governments Rights to Property for Affordable Housing:** local governments will have the 'right of first refusal or offer' to purchase multifamily properties when they're set to enter the market.
- **SB24-174: Sustainable Affordable Housing Assistance:** Requires local governments with 1,000 people or more to develop a housing action plan by 2028.
- **HB24-1313: Housing in Transit-Oriented Communities:** Increases zoning density around transit sites, such as bus stops or light rail stations. It removes barriers that limit housing density to encourage building more housing near transit sites.
- **HB24-1434:** Provides tax credits for this purpose. These credits will be available through 2029.
- **HB24-1152 Accessory Dwelling Units** removes restrictions on Accessory Dwelling Units (ADUs) and provides funding to local governments and households to encourage further construction.

What we do at Builders Patch?

We started Builders Patch with the aim to connect developers & lenders, and speed up the funding process of affordable housing deals.



Closing a MF loan today...

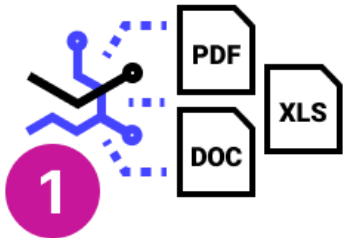


AI-augmented underwriting

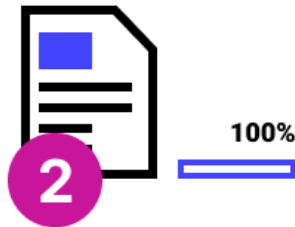
75%
time savings



20 hours of
work done
in 4 hours



1
AI extracts data
from due diligence,
reports & proforma



2
Auto-generated
memo based on
exact templates.



3
Underwriter
adds/edits risks
and mitigations



4
Final review
& edits by
underwriter.

KEY ADVANTAGES

- **Improved accuracy:**
auto populate data in memo.
- **Faster results:**
deliver closing and market analysis without human intervention
- **Reduced costs:**
use valuable resources for higher value jobs like risk analysis.

Automated proforma builder

1

User inputs basic project info

Location
Forestville

ZIP code
100125

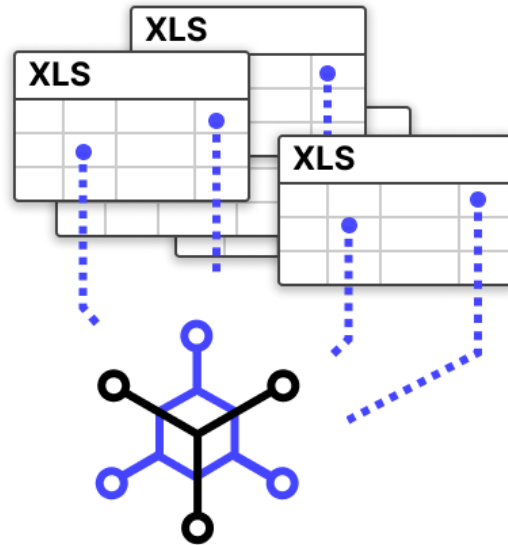
of units
120

Construction type
new construction



2

System pulls pro forma data from comparable past projects, market data, 3rd party sources.



3

Unlocked entire proforma/blueprint to new housing project in minutes.



- development budget
- rental income
- OPEX

AI-generated predictive values

AI-driven onboarding of complete portfolio datasets

Budget Worksheet
Income and Expense Projections

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0224
(exp. 06/30/2011)

Public reporting burden for this collection of information is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is collected in accordance with Title 17 of the National Housing Act which requires that HUD regulate rents for certain cooperative and subsidized rental projects. The Department formulated the processes by which owners could request rent increases. The requirement for tenant participation in the rent increase process, which is included in Section 202 (c) of the HUD Amendments of 1974, necessitated that the Department design procedures to give consideration to tenant concerns. The information gathered is not of a confidential nature. The information is required in order to obtain benefits.

Project Number: _____ Name of Project: **Cypress Hill Apartments**

Description of Account	Acct No.	Statement of Potential FY10	Current FY (est. of max. \$)	Budget lines (1/10 to 1/11)
Rental	5120	585,497	397,120	\$75,533
Income	5121	250,129	276,328	399,947
5100	5140	0	0	0
Rent Revenue - Stores and Commercial	5170	0	0	0
Garage and Parking Spaces				
Flexible Subsidy Revenue				
Miscellaneous Rent Revenue				
Excess Rent	5191	0	0	0
Rent Revenue Insurance	5192	0	0	0
Special Claims Revenue	5193	0	0	0
Retained Excess Income	5194	0	0	0
Total Rent Revenue Potential at 100% Occupancy	51001	\$815,626	\$673,458	\$976,480
Vacancies	5200	62,483	16,491	48,774
Apartment	5240	0	0	0
Stores and Commercial	5250	20,503	6,479	0
Rent Concessions	5250	0	0	0
Garage and Parking Spaces	5270	0	0	0
Miscellaneous	5290	0	0	0
Total Vacancies	52001	\$192,986	\$22,970	\$48,774
Net Rental Revenue (Rent Revenue less Vacancies)	5150N	\$712,640	\$650,488	\$926,706
Income	5300	60	60	60
Other Elderly Care/Coop/Other Revenues	5410	66	48	0
Financial	5430	0	0	0
Revenue from Investments-Residual Receipts	5440	42	548	0
Revenue from Investments-Replacement Reserve	5490	0	0	0
Revenue from Investments-Miscellaneous	5401	\$168	\$993	60
Total Financial Revenue	5401	\$168	\$993	60
Laundry and Vending Revenue	5910	13,541	13,200	17,004
Tenant Charges	5920	2,123	1,926	2,500
Interest Reduction Payments Revenue	5940	0	0	0
Gifts (nonprofits)	5970	0	0	0
Miscellaneous Revenue	5990	91	585	600
Total Other Revenue	59001	\$15,795	\$15,711	\$20,104
Income	60001	\$728,663	\$666,792	\$946,810
6200	1,294	2,489	3,495	
6204				
	13,200		17,004	
	1,926		2,500	
	0		0	
	0		0	
	585		600	
	\$15,711		\$20,104	
	\$666,792		\$946,810	
	2,489		3,495	
	0		0	

Accurately capturing unstructured data points from PDFs using AI document parsing.



Deals Analytics Reports Task mgmt. John Hallen

Cypress Hill Apartments
UNDERWRITING

Overview Pro forma Checklists Workspace Memos

Asset management

Edit mode: Show sub items: Table settings Actions

Income Expenses Debt service Other data

Expenses	Item code & name		2017		2018		2019		2020	
			Audited	YoY	Audited	YoY	Audited	YoY	Audited	YoY
Management	EX01		3,568,950	0.0%	3,568,950	+1.5%	3,568,950	+32.5%	3,568,950	+1.5%
Management fee	EX0110		2,064,000	0.0%	2,064,000	+0.5%	2,064,000	+24.5%	2,064,000	+0.5%
Property management fee	EX0112		4,353,670	0.0%	4,353,670	+3.1%	4,353,670	+18.9%	4,353,670	+3.1%
Administration	EX02		4,389,055	0.0%	4,389,055	+31.6%	4,389,055	+0.5%	4,389,055	+31.6%
General administration	EX0201		3,325,660	0.0%	3,325,660	+5.6%	3,325,660	+5.6%	3,325,660	+5.6%
Legal & audit	EX0202		3,568,950	0.0%	3,568,950	+17.5%	3,568,950	+2.5%	3,568,950	+17.5%
Advertising	EX0204		3,568,950	0.0%	3,568,950	+2.5%	3,568,950	-28.5%	3,568,950	+12.5%
License & permits	EX0210		3,568,950	0.0%	3,568,950	-8.5%	3,568,950	-5.5%	3,568,950	-8.5%
Salaries	EX0215		3,568,950	0.0%	3,568,950	+52.8%	3,568,950	+8.5%	3,568,950	+22.8%
Repair & maintenance	EX03		3,568,950	0.0%	3,568,950	0.0%	3,568,950	0.0%	3,568,950	0.0%

AI-driven analytics & insights

Data analytics & intelligence

14 deals shown

Deal name	Professional Fees		Third Party Reports		Fees and Interest		Conversion and Lease		Operating Reserve	
	Total	Diff.	Total	Diff.	Total	Diff.	Total	Diff.	Total	Diff.
Rivendale Apartments...	21.52	-62.68%	12.84	-84.79%	37.06	-49.53%	0	100%	11.43	-43.2%
75 Elm Street	47.64	-17.37%	70.02	-17.02%	51.79	-29.46%				
Blue Bridge Apartment	77.18	+33.86%	131.67	+56.05%	104.31	+42.06%				
School Street Apartments				+20.08%	86.78	+18.18%				
Acacia Commons				+18.44%	97.04	+32.15%				
125 Appleton Street				-2.44%	84.74	+15.4%				
Magnolia Commons				+6.79%	87.94	+19.77%				
Sycamore Commons ...	60.32	+4.62%	102.56	+21.55%	87.8	+19.58%				
Hemlock Commons	64.92	-9.6%	99.02	+17.36%	84.21	+14.69%				
Berrytown Apartments	75.28	+3.86%	96.48	+14.35%	72.42	-1.37%				
Walnut Street Apartm...	62.93	-1.4%	68.8	-18.46%	61.29	-16.53%				
370 Washington Street	47.31	-17.3%	66.46	-21.24%	69.69	-5.09%				
1250 Joshua Tree Str...	49.34	-14.4%	74.23	-12.03%	53.37	-27.32%				
220 Maple Avenue	47.09	-18.34%	67.44	-20.07%	55.07	-25%				
Group Average	58	0.00%	84	0.00%	73	0.00%				

2 Deal data aggregated & compared to similar deals.

1 Original pro forma with operating budget ingested.

3 Intelligent analysis & suggested actions on how to optimize budget.

Development budget analysis for:
Blue Bridge Apartments

Alert
Per SF soft costs in the development budget of Blue Bridge Apartment is higher than the average costs in this filter group.

The largest discrepancy from the group average is for third party reports (50% higher) and Professional fees (40% higher).

Recommended actions
Cross-check the records of project developer, Arklow Properties to see if there is a pattern of higher soft costs. There are 5 more projects by Arklow Properties in your deal portfolio.

Third party reports:
The cost of third party reports can be better controlled by selecting competitively priced providers through a bidding process. See our [workflow template](#) for efficiently handling and evaluating pricing bids.

Auto-generated credit memo & other closing documents

Cypress Hill Commons
Draft memo
Finalized on 2/12/2023

Cypress Hill Commons

Draft memo
Finalized on 2/12/2023

Project summary
Cypress Hill Commons is a proposed with 150 units set aside for extremely low income housing in the Forest Hill neighborhood space allocated to a park & playground area and a service center on the ground.

The project is being developed by Arklow Neighborhoods, a local non-profit corporation to be completed by 2025 spring.

Project details

Project name	Cypress Hill Commons
Legal name	Cypress Hill Commons, LLC
Property type	multifamily residential
Construction type	new construction
Rent type	affordable housing

Underwriting team

Project manager	Amy Robinson
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Risks & mitigations

Risks	The senior Authority provide financing
Mitigations	The senior Authority provide financing

Sources & uses

Foreword comments	The senior Authority provide financing
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SOURCES	LOAN PROGRAM
Permanent loan	NCSHA ELLA
Subordinate loan	Amor HOME
Federal tax credits	
State tax credits	
Deferred developer fees	

1 Different memo templates set up based on lender needs.

2 Fields auto-populated using due diligence information collected on the platform.

Thank you!

Contact

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FOUNDER & CEO

kanan@builderspatch.com

+1 425 829 3778



WHO WE ARE

- **CohnReznick LLP** is a leading advisory, assurance and tax firm in the U.S. with one of the largest and most experienced tax credit practices in the country.
- **Tax Credit Investment Services (“TCIS”)** is a dedicated business unit within CohnReznick that provides strategic advisory and due diligence services to help clients make informed decisions on acquiring and managing tax-advantaged investments.
- TCIS is well-regarded in the industry for:
 - Having authored 3,000+ investment due diligence reports for tax credit investors;
 - Having authored numerous affordable housing industry studies and spoken frequently at industry conferences and events;
 - Being sought after by the regulators and policymakers to provide industry data and insights;
 - Publishing housing tax credit equity market trends on a monthly basis in the *Tax Credit Advisor* magazine.

STUDY HISTORY

- LIHTC industry needed a track record to attract capital
 - \$4 billion equity market in 2000
 - \$9 billion equity market in 2006
 - \$18 billion equity market in 2020
 - **\$26.2 billion** equity market in 2023
- From 6,250 properties in 2000, to more than **30,000** in the current report
- Through establishing timely and reliable industry track record information, the studies supported the important objectives of advocacy, capital infusion and best practice sharing.

ACKNOWLEDGEMENTS

This effort would not have been possible without the support of these organizations.



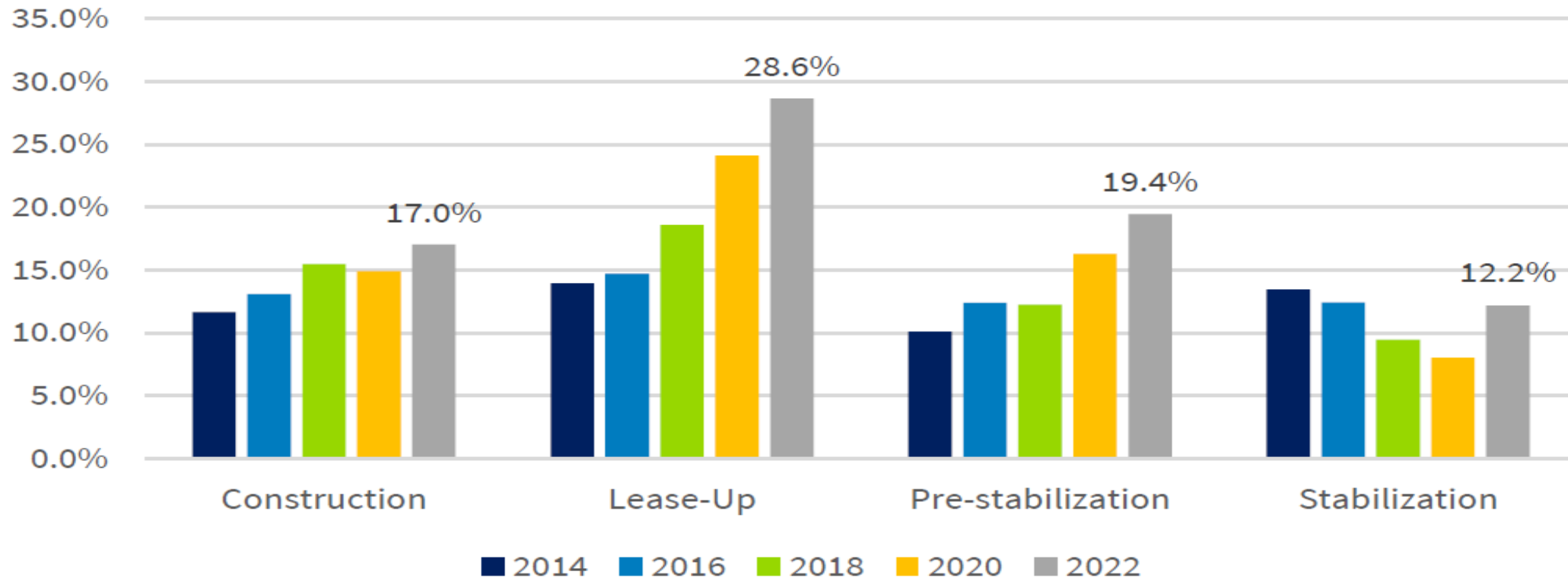
2023 STUDY HIGHLIGHTS

- Historical information was drawn from 30,600 properties; while 2021-2022 information was reported on 19,200 properties.
- Housing tax credit portfolio once again proved to be resilient.
- No foreclosure or deed in lieu of foreclosure was reported in 2021-2022 across all data providers.
- Some indicators signal that the portfolio is not completely immune from the “Covid-headwinds.”

WATCH LIST

Watch list percentages rose across properties in all stages of development in 2021-2022.

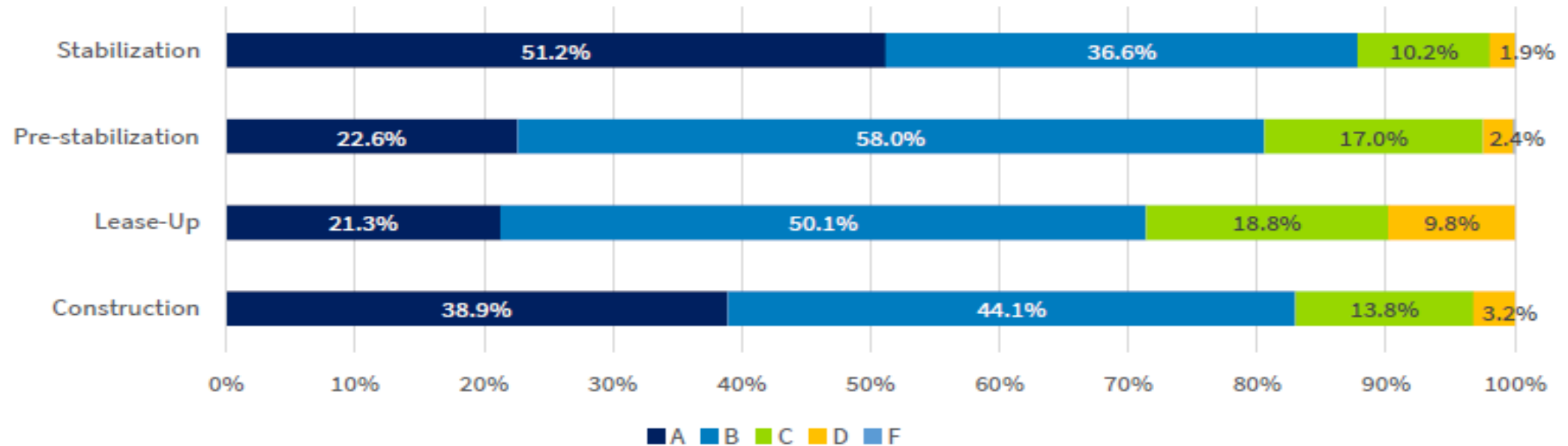
Historical Watch List by Development Status



WATCH LIST

As of December 31, 2022, properties in lease-up reported the highest watch list representation of 28.6%, followed by pre-stabilized properties (19.4%) and properties under construction (17.0%).

Risk Rating by Development Status

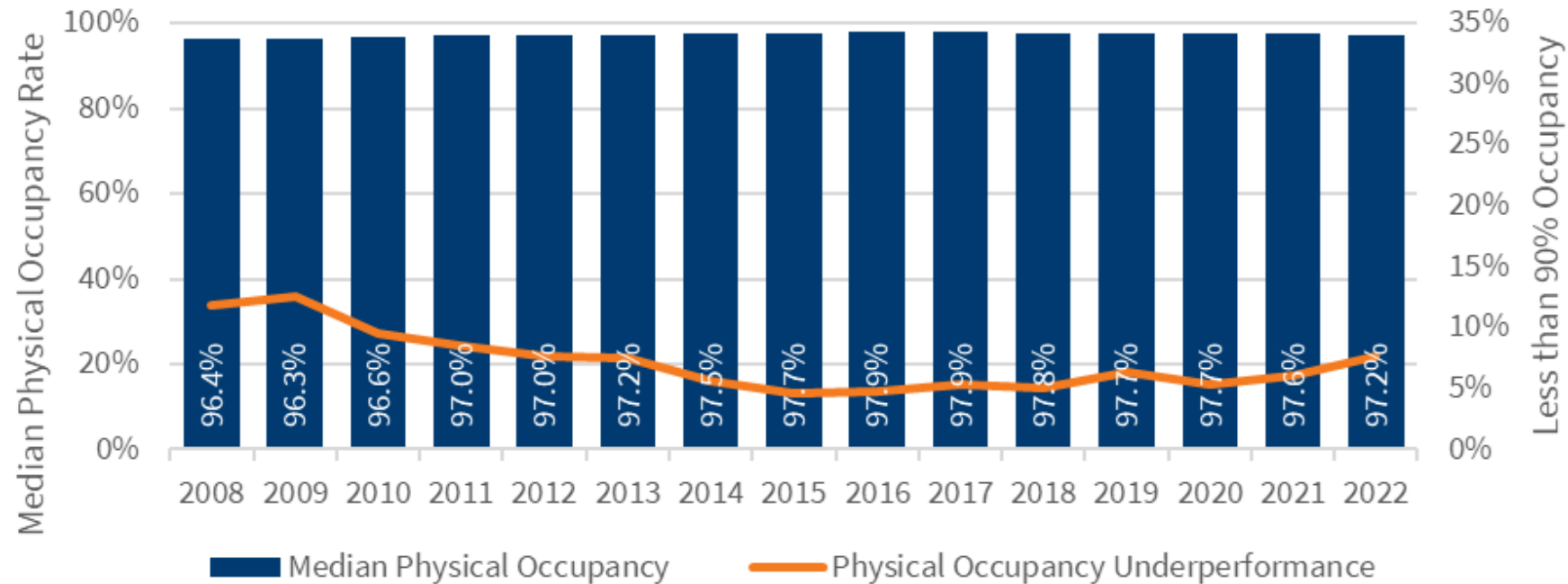


DEVELOPMENT PERFORMANCE

- Consistent with the long-term trend, the development phase properties had a more pronounced tenancy to be on the watch list.
- The pace at which their watch list representation rose confirmed that affordable housing industry was not immune to the challenges faced by the broader real estate industry.
- All data providers incorporated additional underwriting protective clauses to mitigate the pandemic impact; without those, the watch list would have been worse.
- Funds closed in 2019-2022 reported a worse than average track record in initial years' credit delivery; although investor returns were maintained through adjustors and other mitigants.
- The IRS provided much needed deadline extensions to relieve the compliance risk pressure.

PHYSICAL OCCUPANCY

National Physical Occupancy Trend



Housing tax credit properties reported a **97.2%** median physical occupancy rate in 2022.

ECONOMIC OCCUPANCY

National Economic Occupancy Trend

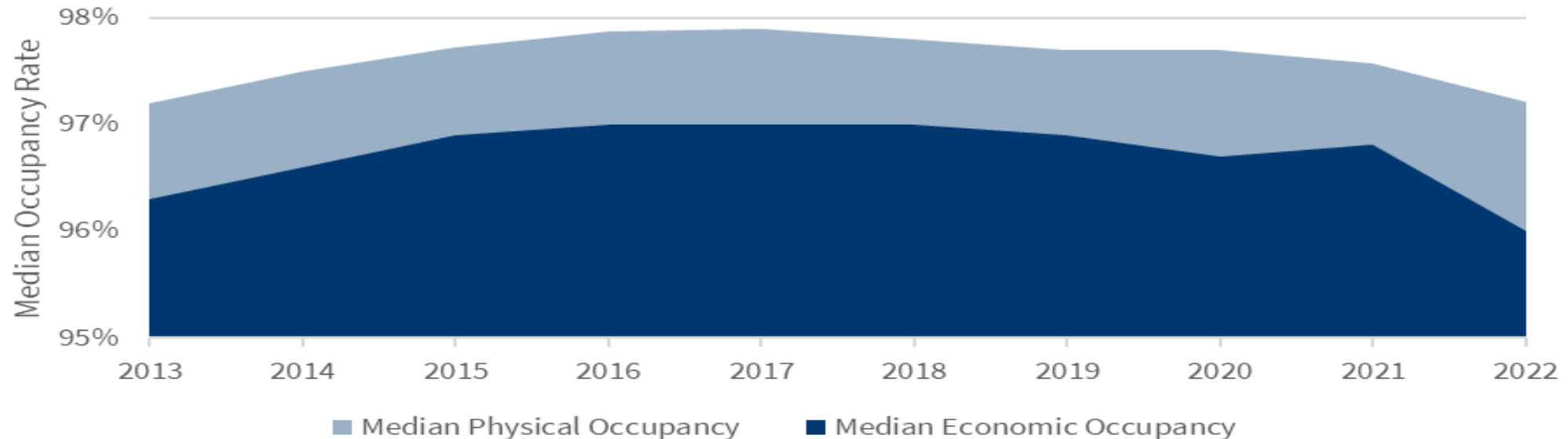


Housing tax credit properties reported a **96.0%** median economic occupancy rate in 2022

COLLECTION LOSSES

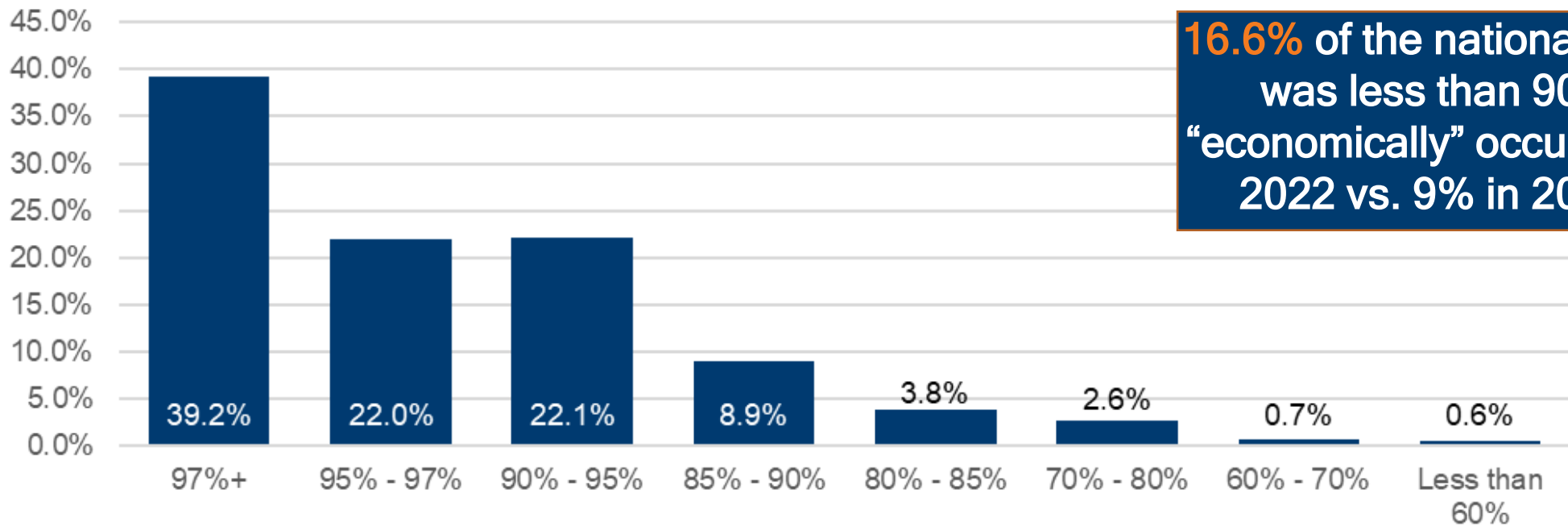
- While rent collection rates were down modestly, the worst fears never materialized to the degree initially projected.
- Eviction moratoriums were a double-edge sword, creating stress on property operations and their owners.
- Different parts of the country has felt the impact to a varying degree.

Occupancy Rate Spread



ECONOMIC OCCUPANCY

**Economic Occupancy Distribution
All Stabilized Properties - 2022**



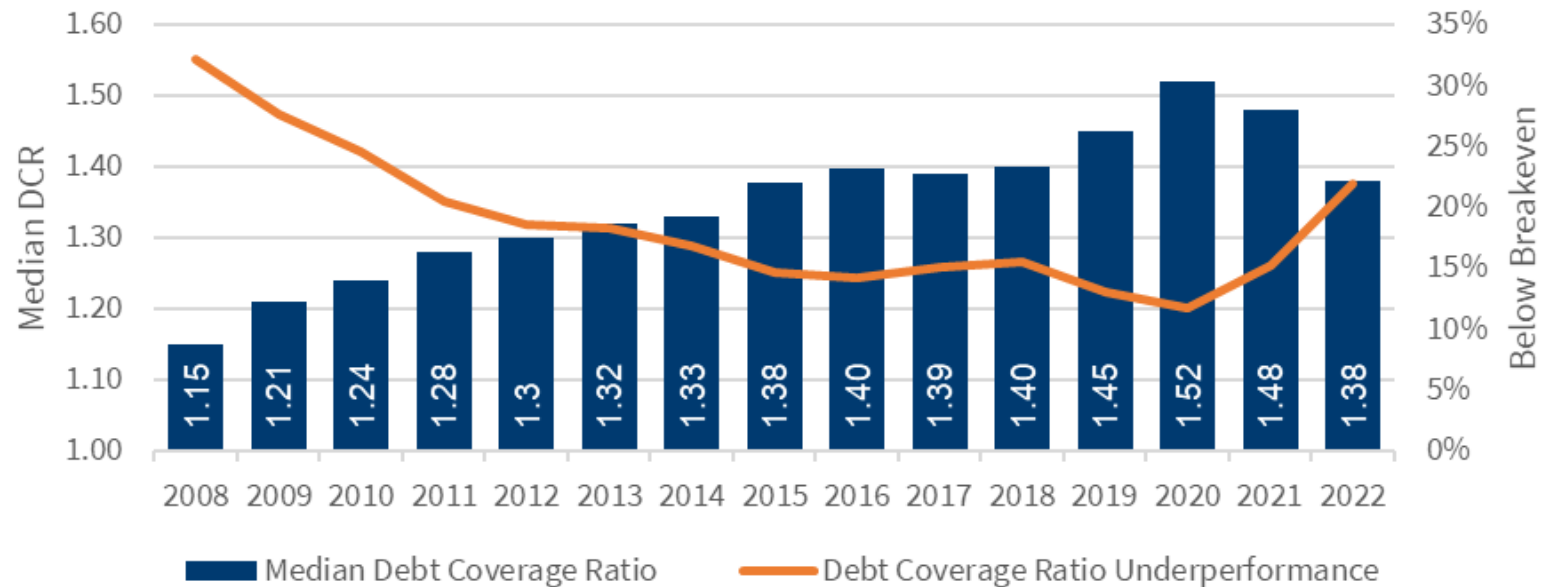
16.6% of the national stock was less than 90% “economically” occupied in 2022 vs. 9% in 2016.

DEBT COVERAGE RATIO

Strong financial performance trend sustained as evidenced by a **1.38** national median DCR in 2022

However, over **23%** of the national portfolio operated below breakeven in 2022, representing a ten-year high.

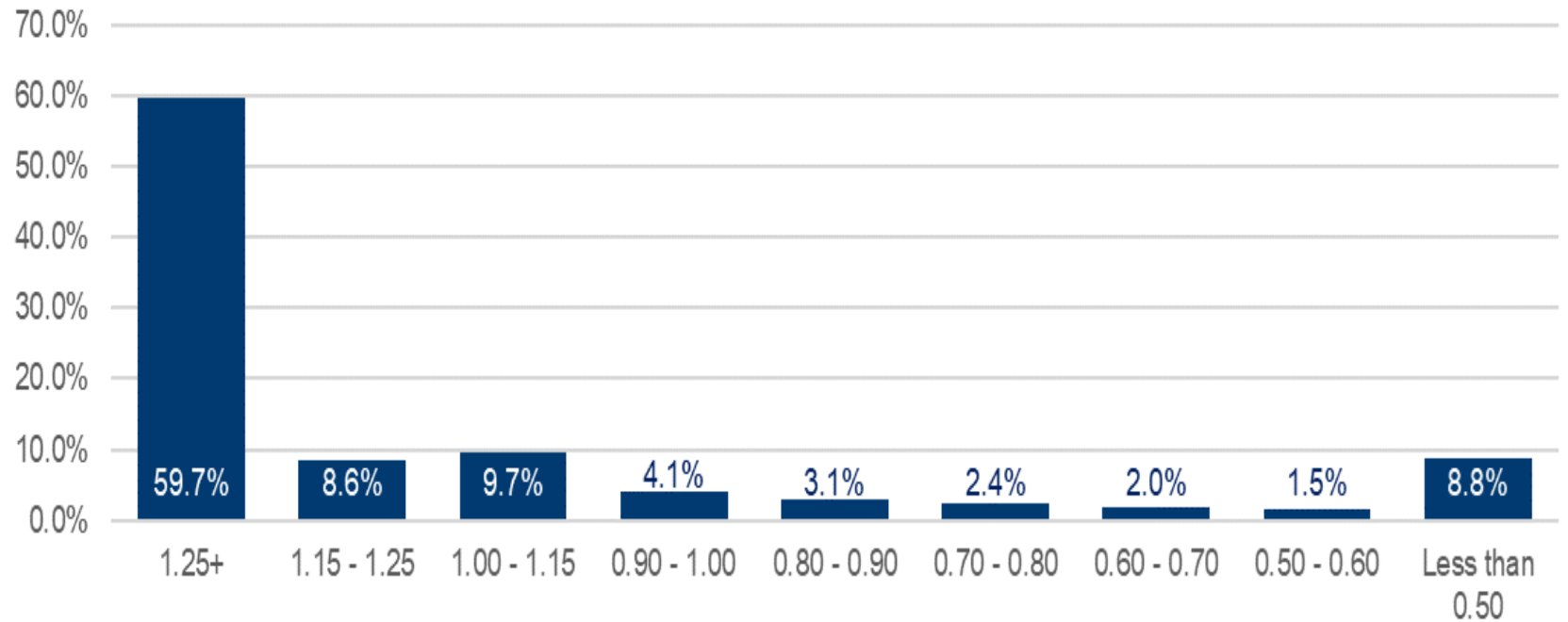
National Debt Coverage Ratio Trend



DEBT COVERAGE RATIO

15% of the national housing tax credit portfolio reported less than a 0.80 DCR (up from 9% in 2020); and 8.8% reported less than a 0.50 DCR (up from 3.6% in 2020).

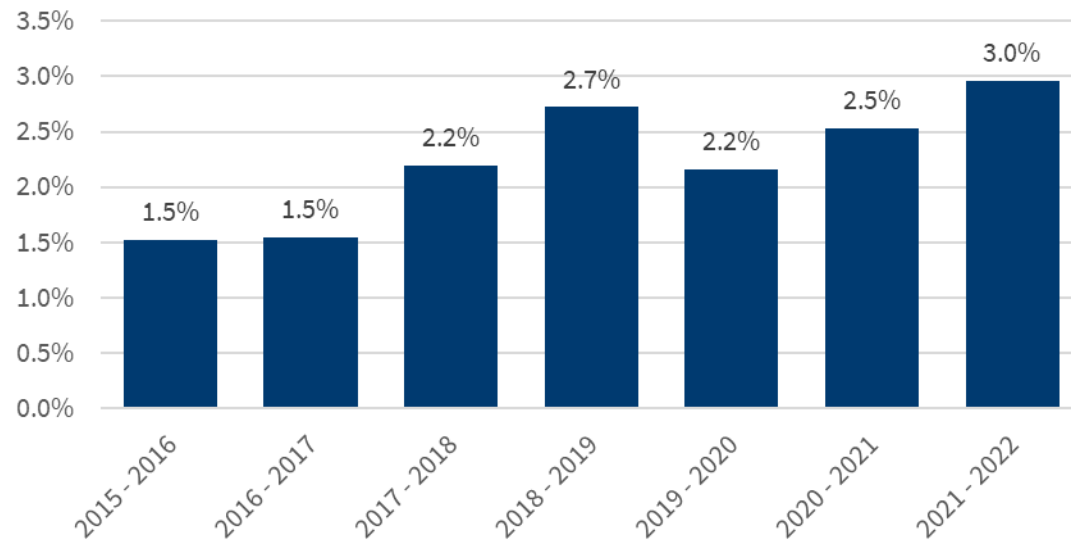
**Debt Coverage Ratio Distribution
All Stabilized Properties - 2022**



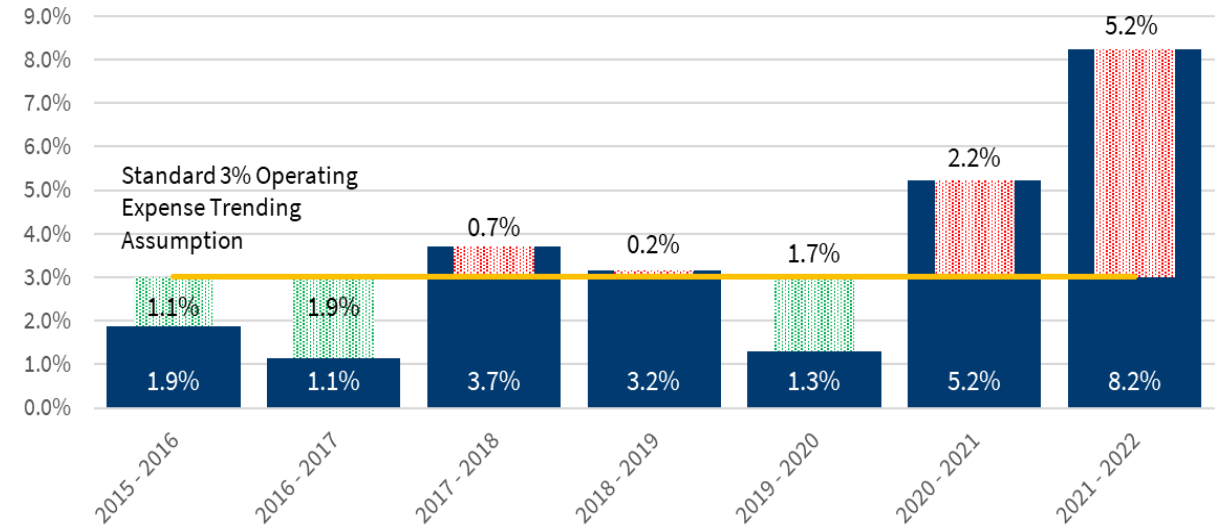
REVENUE AND EXPENSE TREND

Operating expense spike was a leading factor for the rising watch list representation amongst the stabilized properties.

Revenue Trend



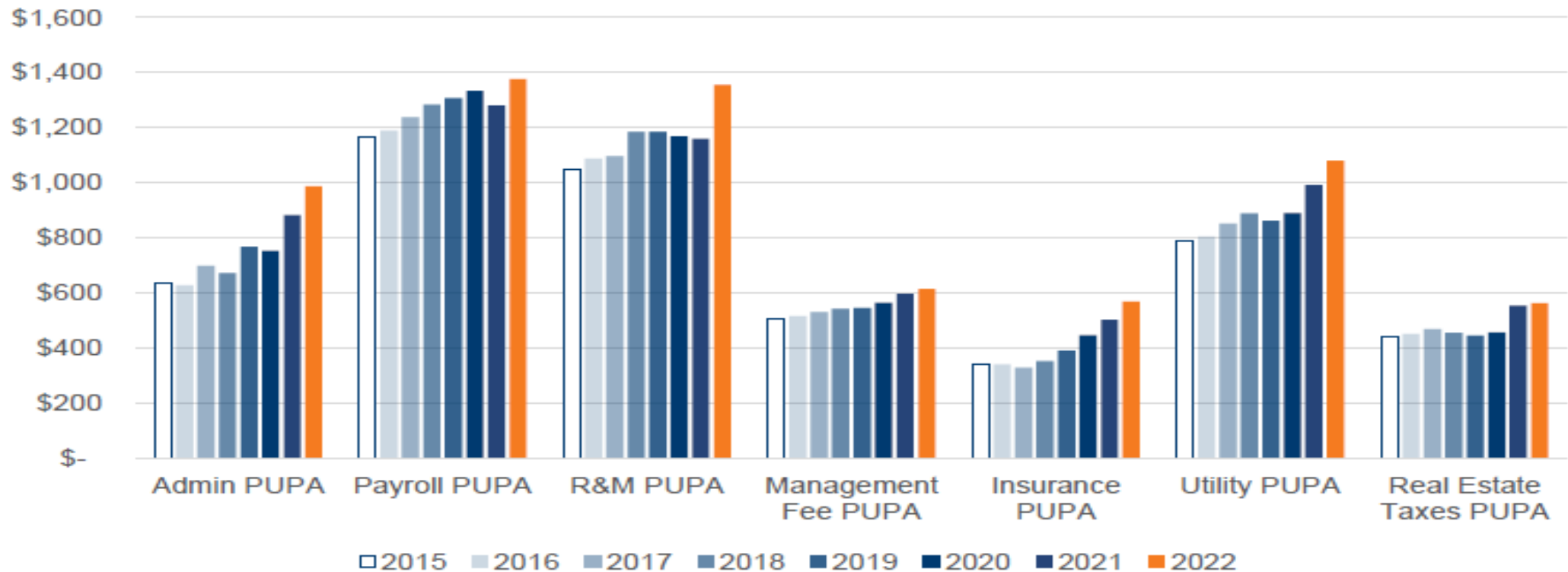
Operating Expense Trend



EXPENSE TREND

Of the seven expense categories, the four fastest-growing expenses are insurance (13.4% annually from 2020 to 2022), administrative (9%), property tax (8.6%), and utilities (7.9%).

Operating Expense Trend by Category

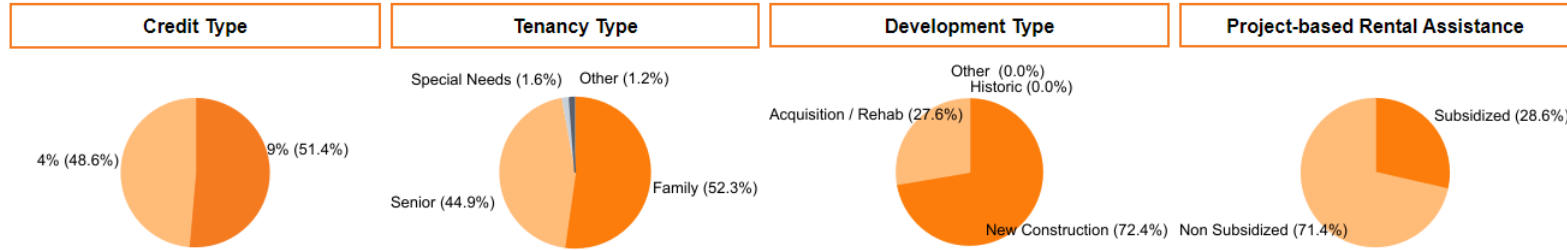


CREDIT TOOL

County: Miami-Dade, FL

Portfolio Composition

**Note: The composition below are based on Net Equity percentage, not property count.*



Operating Performance

**Note: The Performance below are based on fully stabilized properties only. We note that a small sample size can affect year over year median performance.*

State Performance

State	Year	Physical Occupancy	Economic Occupancy	DCR	Per Unit Cash Flow
FL	2022	98.7%	97.7%	1.74	\$1,455
	2021	98.6%	97.6%	1.89	\$1,887
	2020	98.8%	97.4%	1.85	\$1,757
	2019	98.8%	97.9%	1.83	\$1,743
	2018	99.0%	98.0%	1.77	\$1,565
	2017	99.0%	98.0%	1.63	\$1,316

County Performance

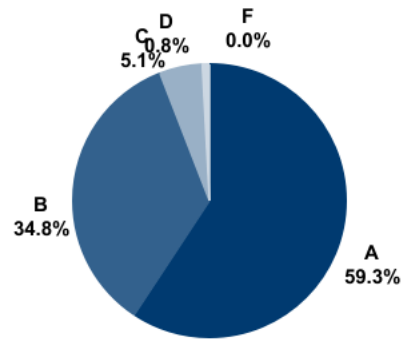
County	Year	Physical Occupancy	Economic Occupancy	DCR	Per Unit Cash Flow
Miami-Dade	2022	99.1%	98.0%	2.16	\$2,526
	2021	99.0%	97.8%	2.21	\$2,316
	2020	99.0%	98.0%	2.46	\$2,785
	2019	99.0%	98.0%	2.50	\$3,024
	2018	99.0%	98.6%	2.22	\$2,679
	2017	99.2%	98.6%	2.25	\$2,283



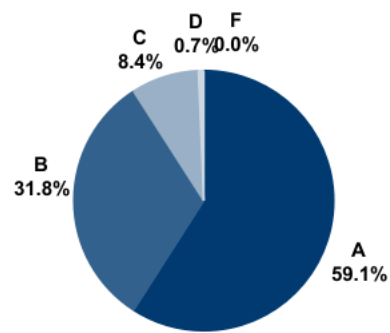
CREDIT TOOL

2022 Risk Rating Distribution

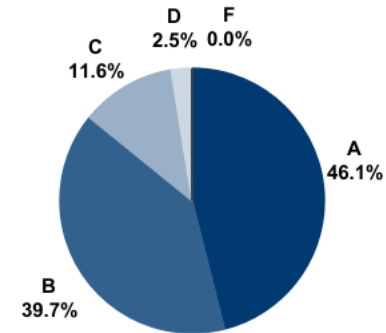
Miami-Dade, FL



State



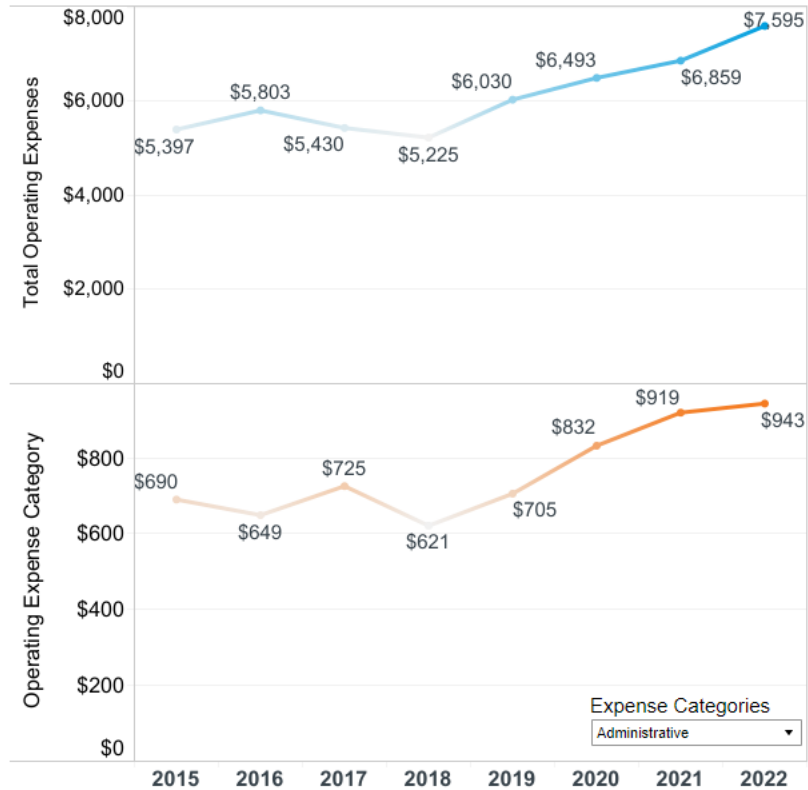
National



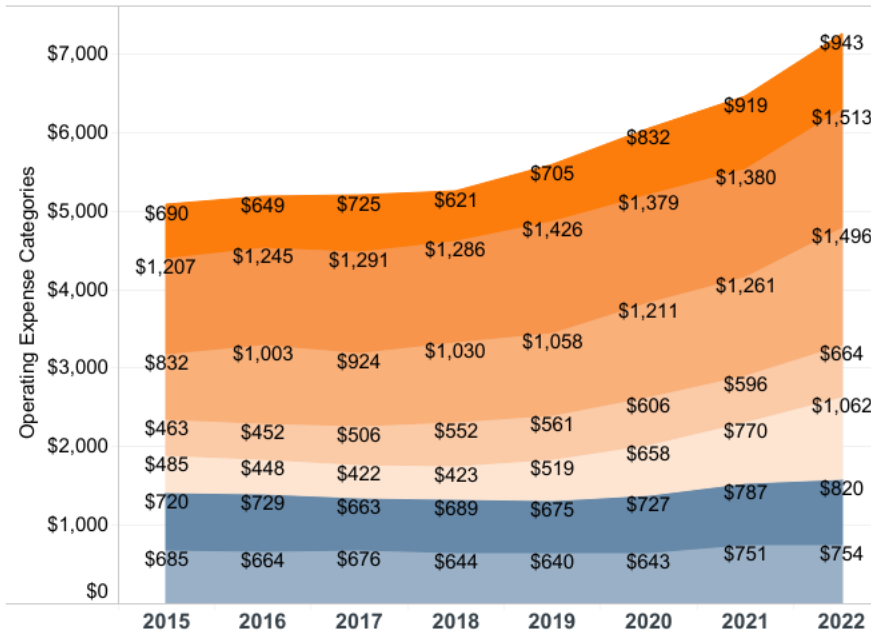
CREDIT TOOL

Operating Expense

Operating Expenses
(per unit per annum)



All Operating Expense Categories
(per unit per annum)



Annual Operating Expense Inflation

3.89%

Operating Expenses

- Administrative
- Payroll
- Repairs & Maintenance
- Management Fee
- Insurance
- Utilities
- Real Estate Taxes



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Examining the Tumultuous World of Property Management

- Multifamily industry illuminating challenges faced by property managers
- NAA Mental and Emotional Health Survey and MRI Software's The Global Voice of the Property Manager
- Affordable Housing operators → longstanding and recent challenges:
 - Challenging client base
 - Scarce property and organizational resources
 - Post-pandemic pressures: past due rent, inflation, rising operating costs and mental health
- How to overcome the obstacles?



Voice of the Subsidized Housing Operator



**Calling all Affordable
& Public Housing
Operators!**

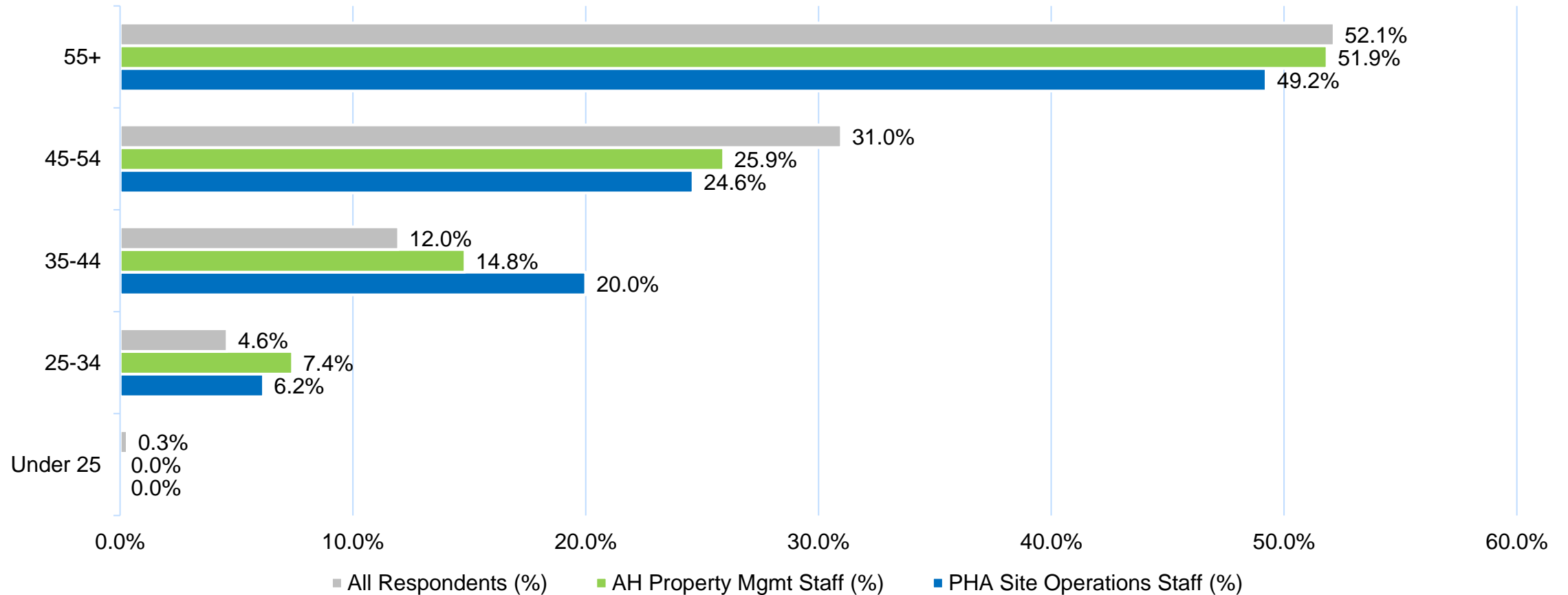


MRI Software | Affordable & Public Housing Survey

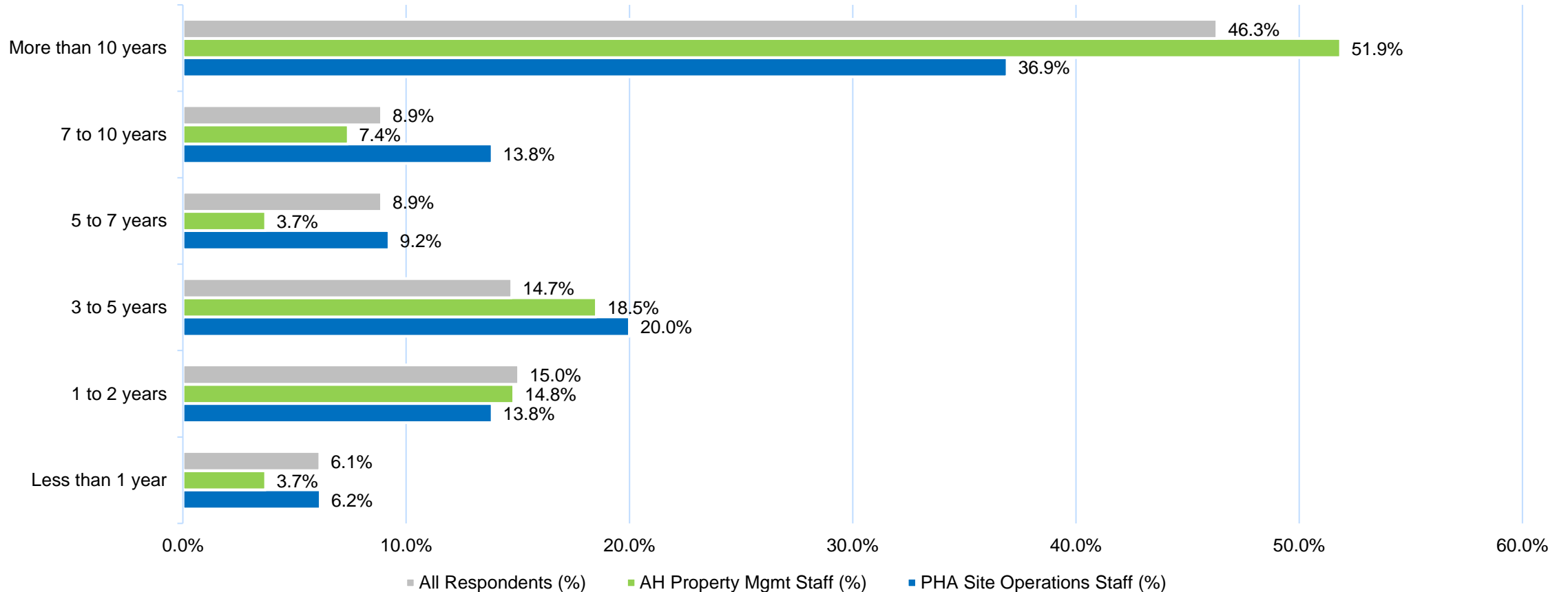
- A look at the unique challenges facing subsidized housing operators
- MRI Software survey of affordable and public housing providers during April-May 2024
- More than 320 industry professionals
- Focus on site operations

Sign-Up Link: <https://info.mrisoftware.com/preregister-for-voho-report>

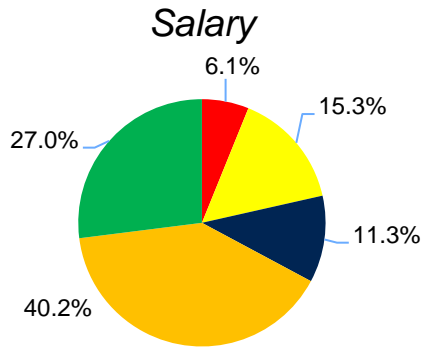
Survey Overview: Age Range



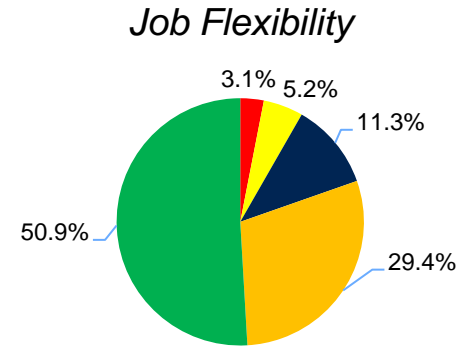
Survey Overview: Years in Current Role



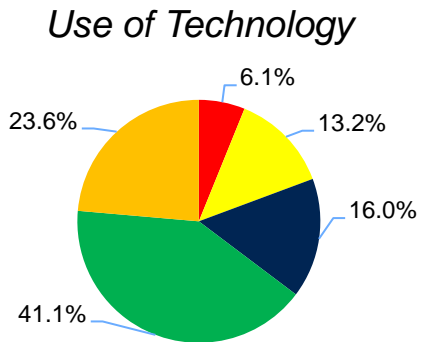
Overall Sentiment: Job Satisfaction



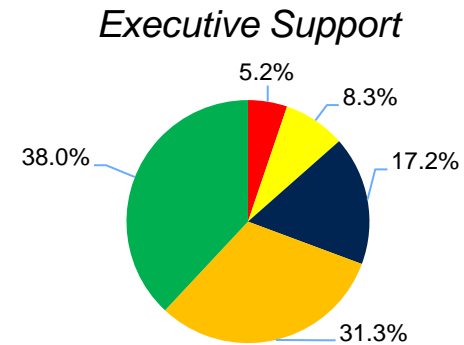
- Very dissatisfied
- Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied



- Very dissatisfied
- Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied



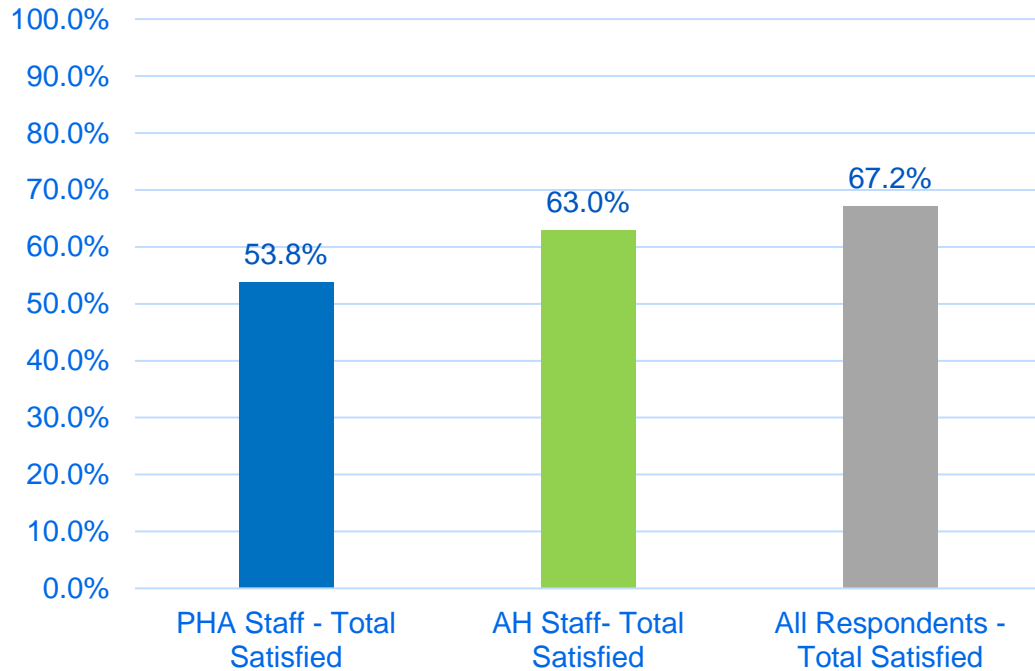
- Very dissatisfied
- Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied



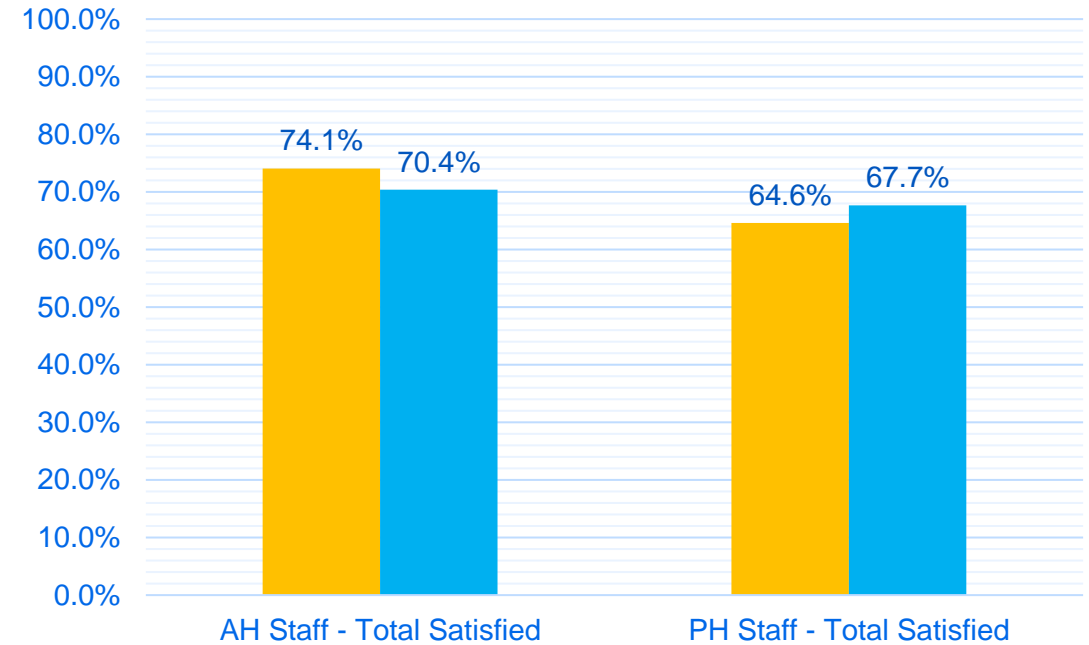
- Very dissatisfied
- Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied

Job Satisfaction – AH Property Mgmt vs. PHA Site Operators

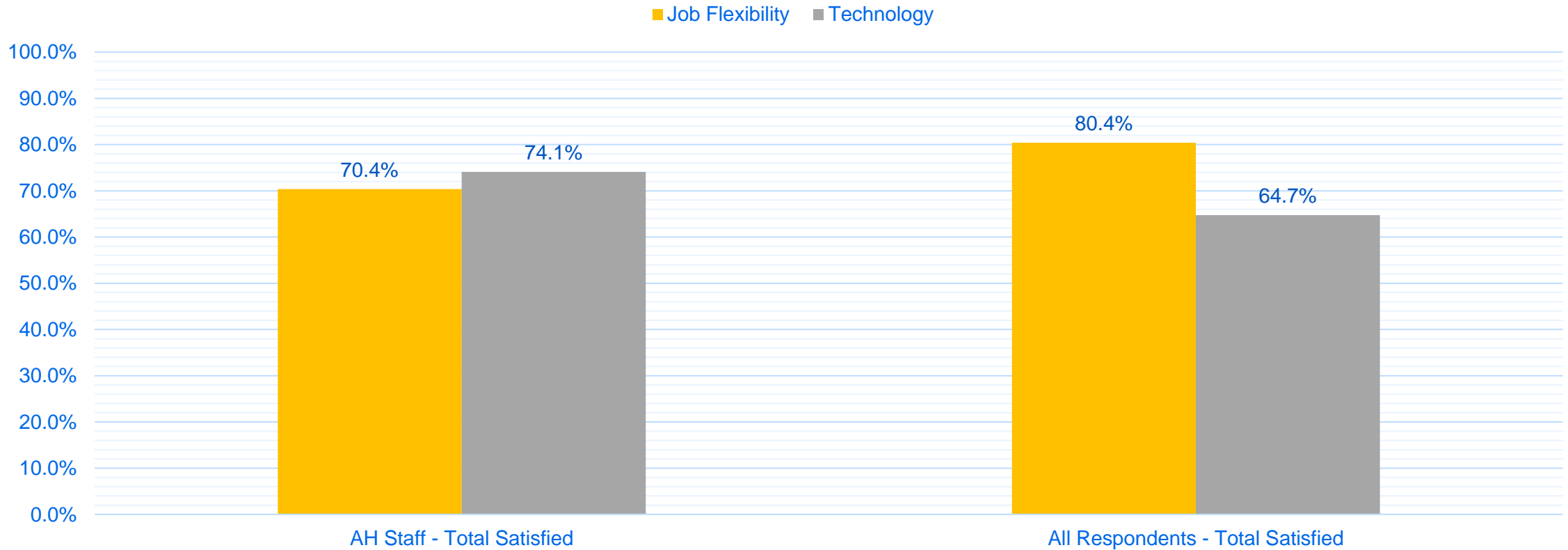
Salary



Technology Executive Support

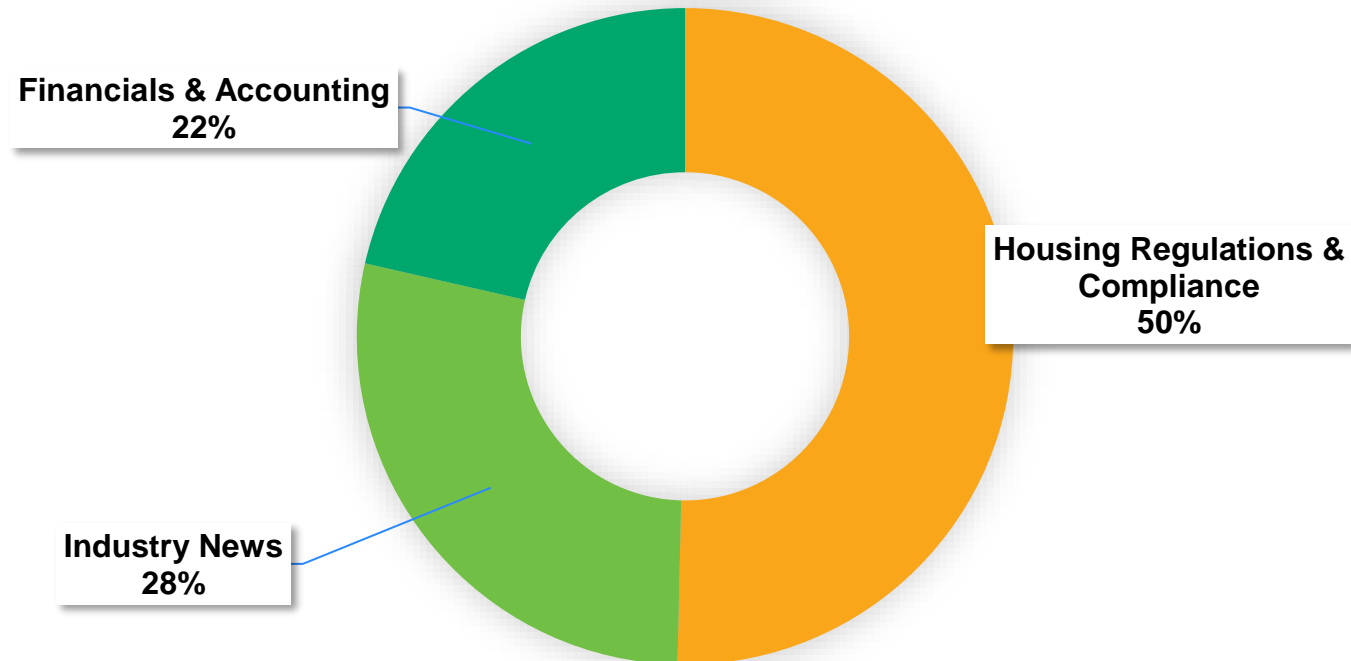


Job Satisfaction – AH Property Mgmt vs. All Respondents

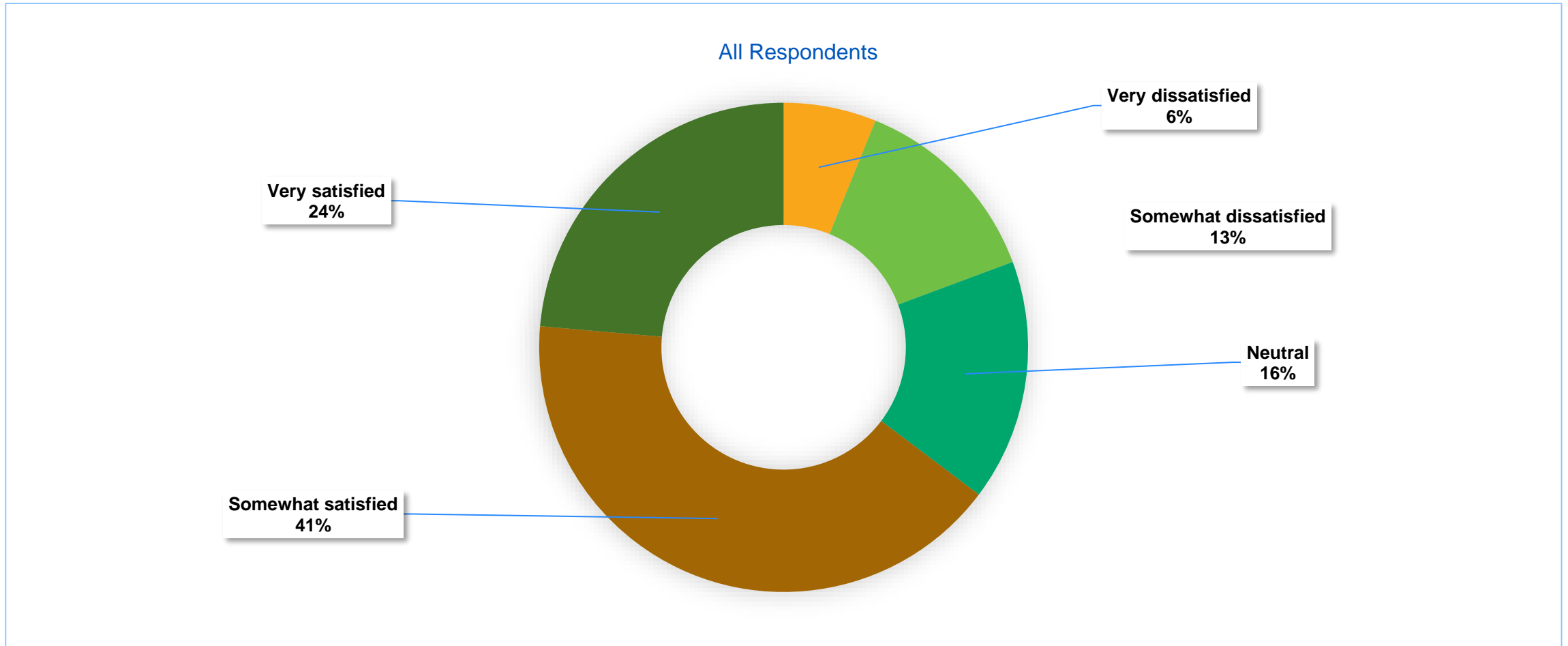


Most Popular Training Topics

Training Topics in Last 12 Months
All Respondents

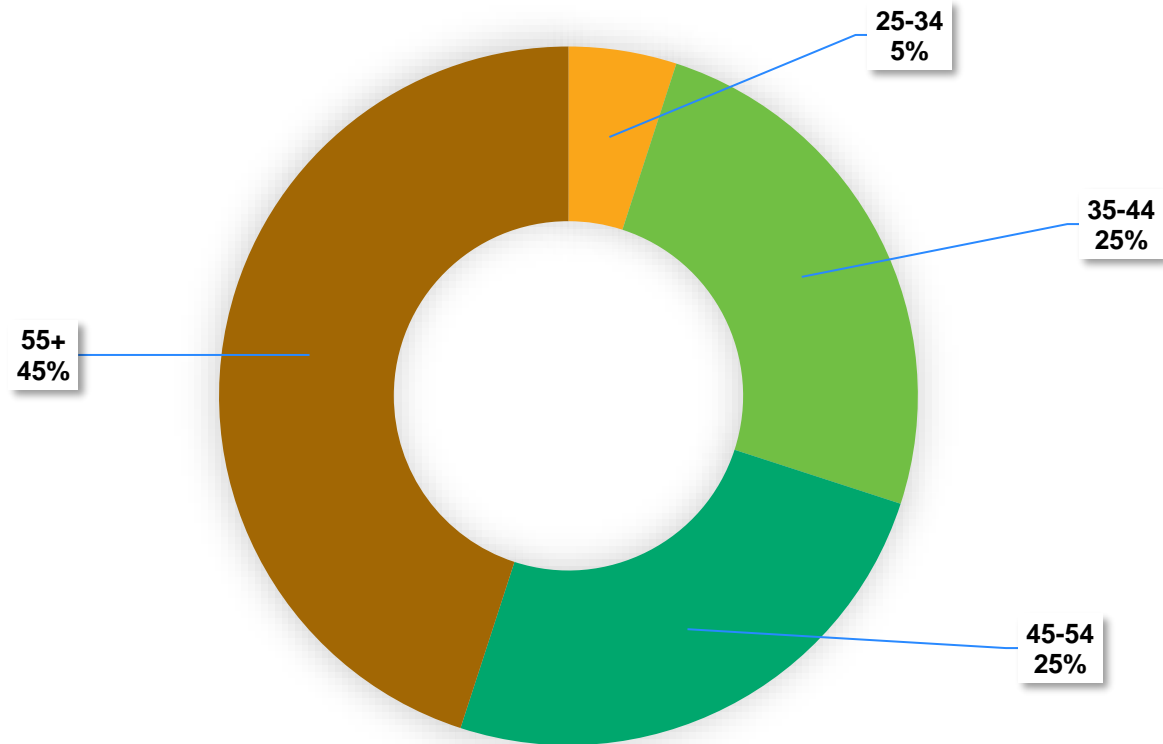


Satisfaction with PropTech

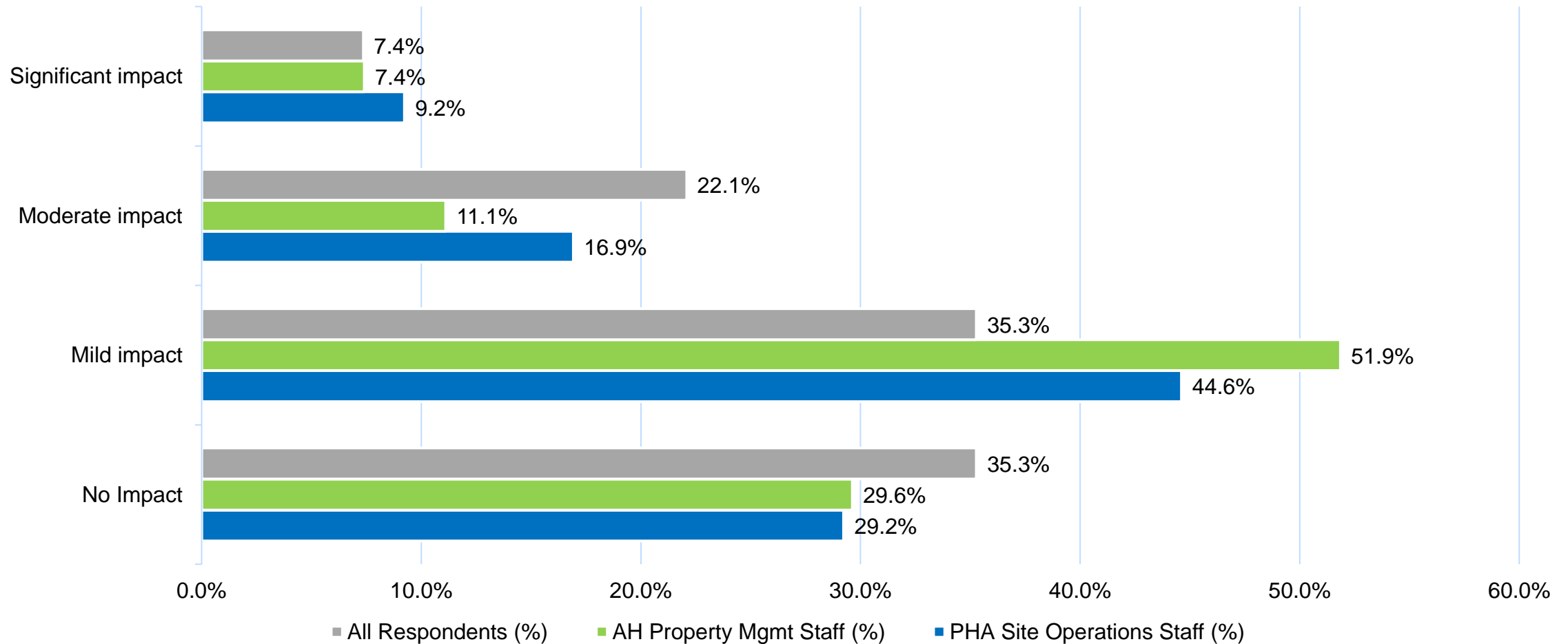


Drivers of Dissatisfaction with PropTech

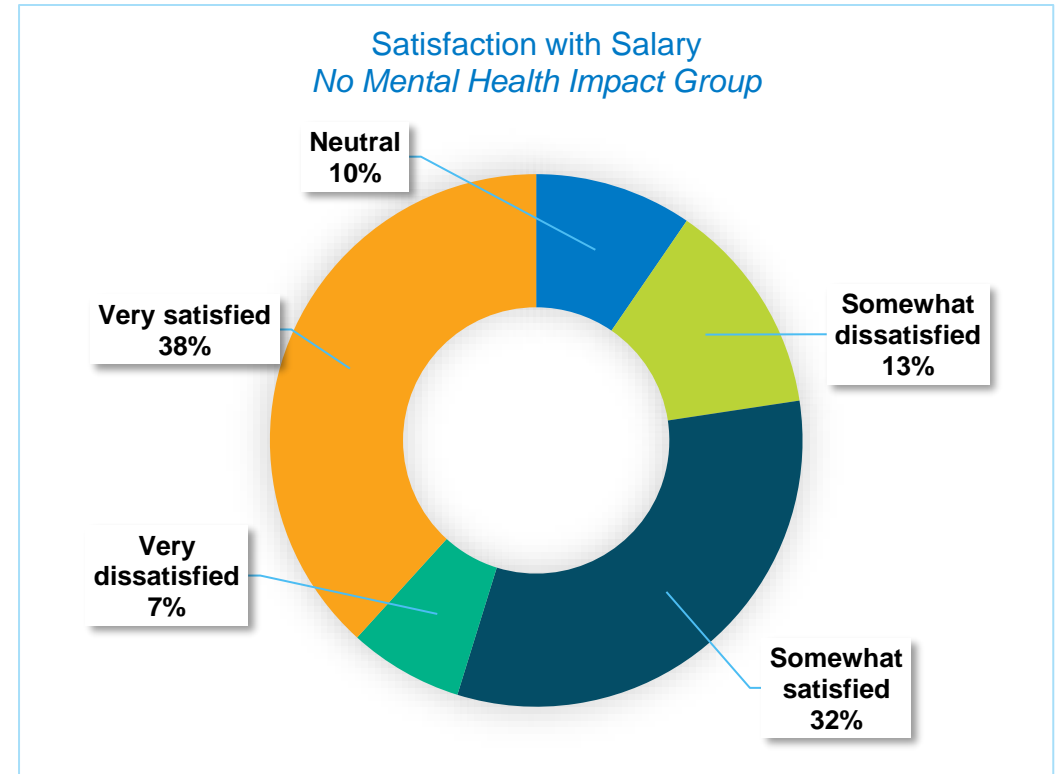
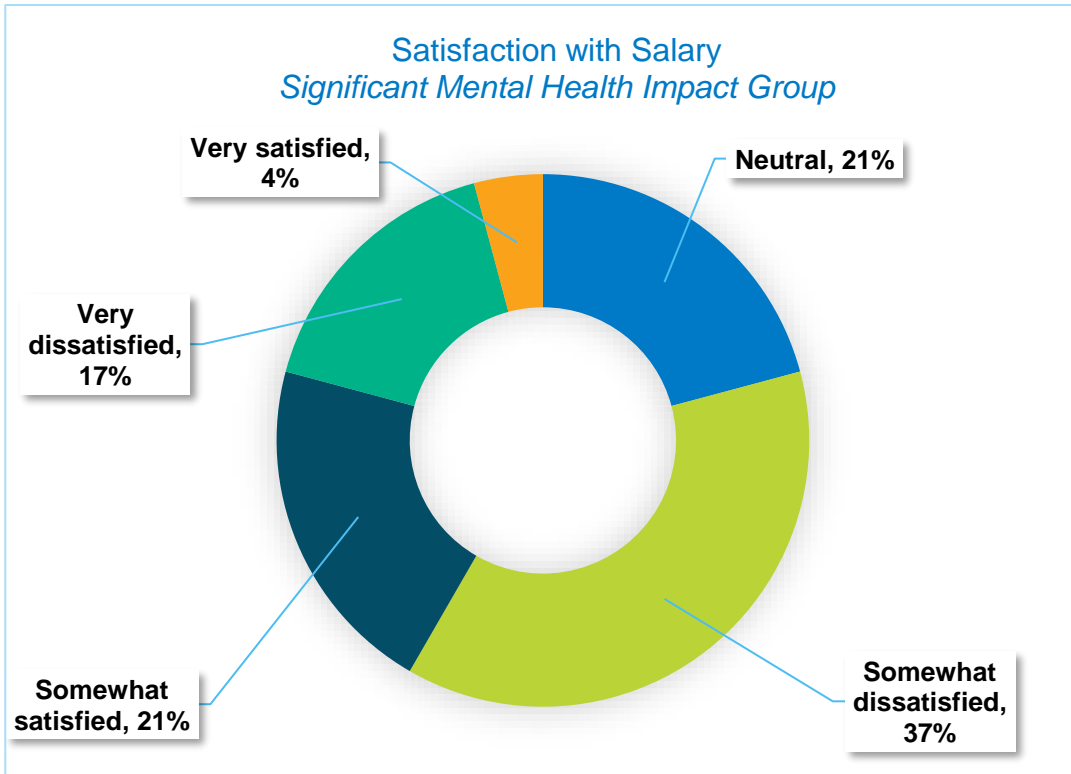
Satisfaction with Technology by Age Group
Very Dissatisfied Group



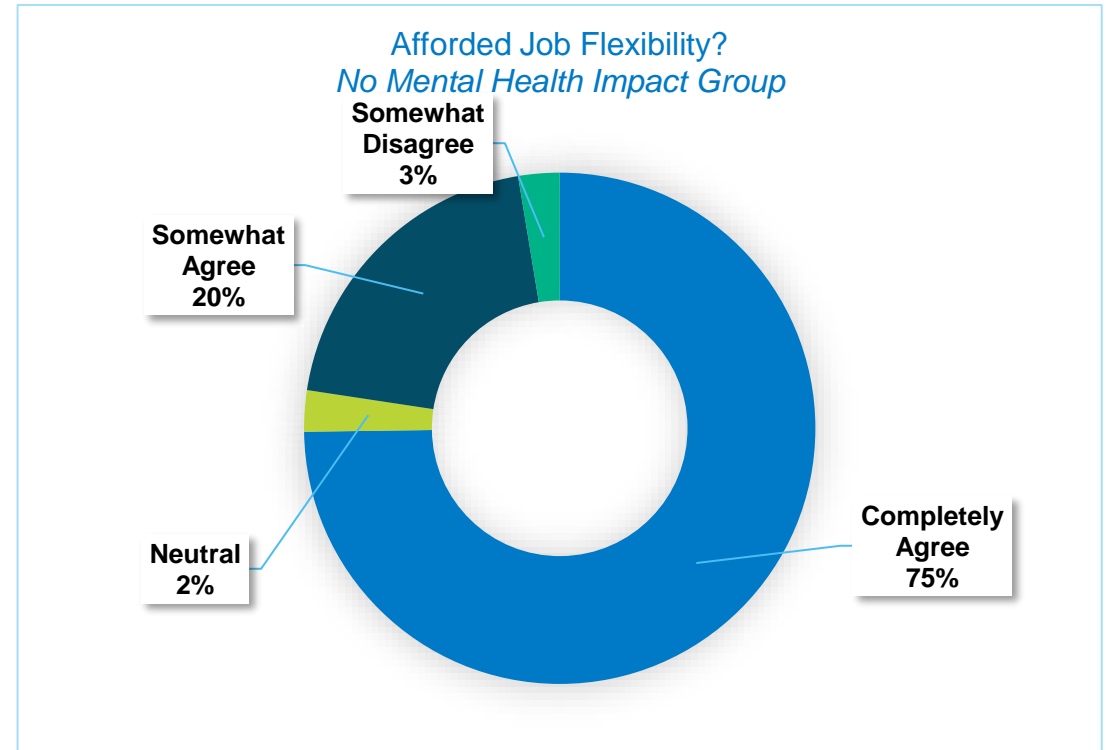
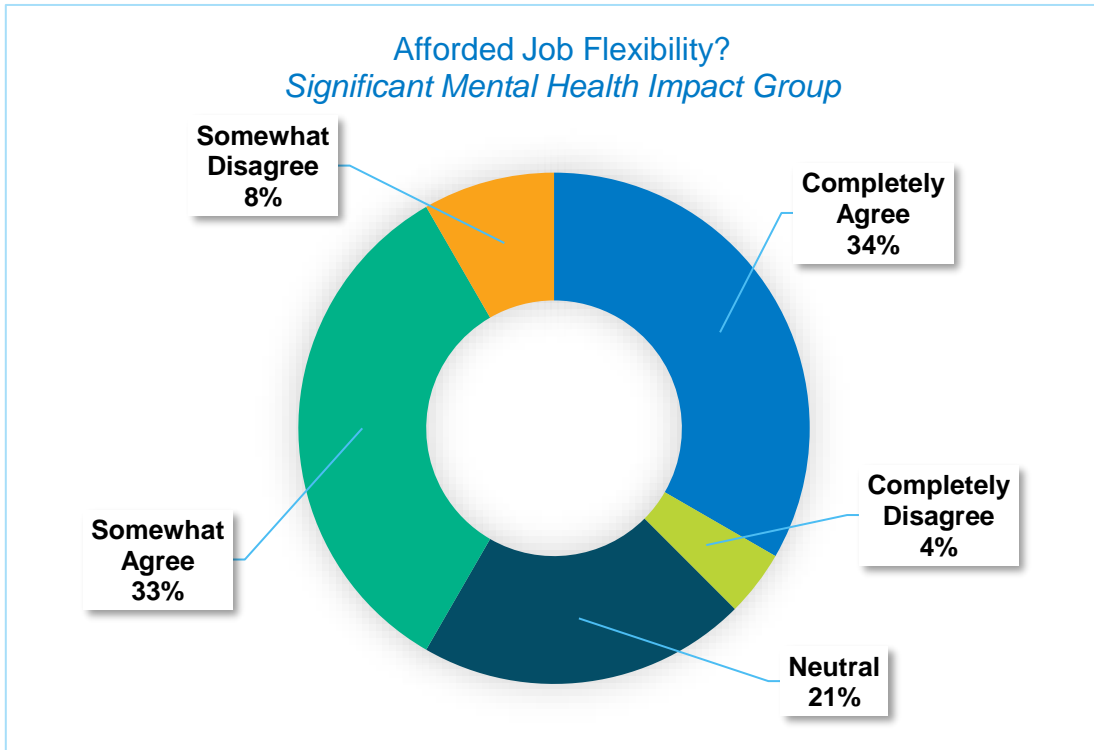
Perceived Job Impact on Mental Health



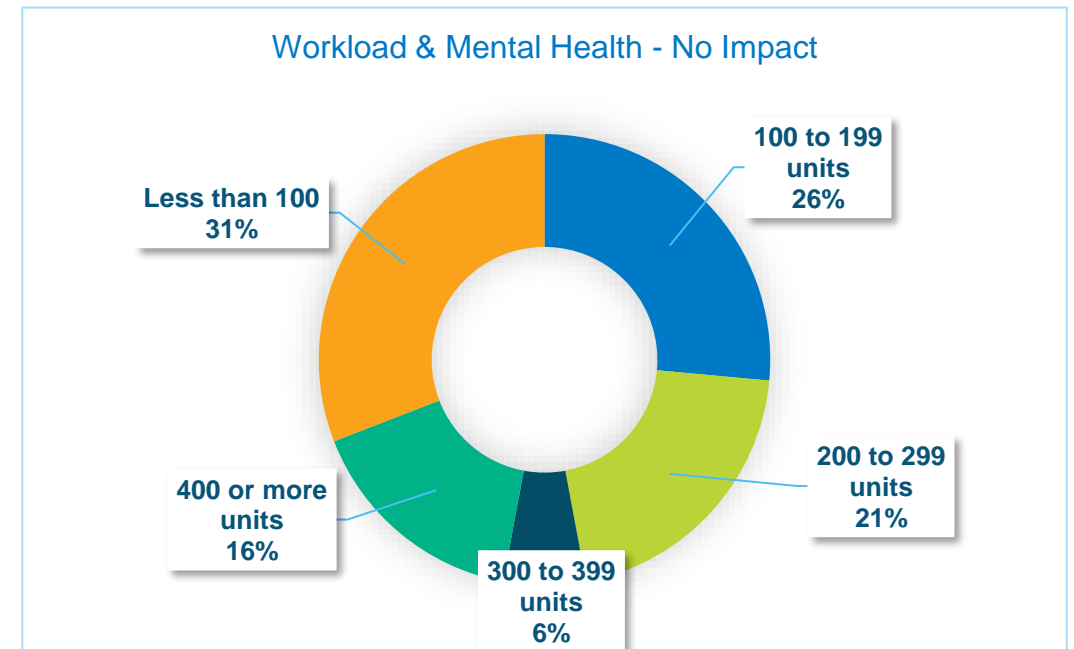
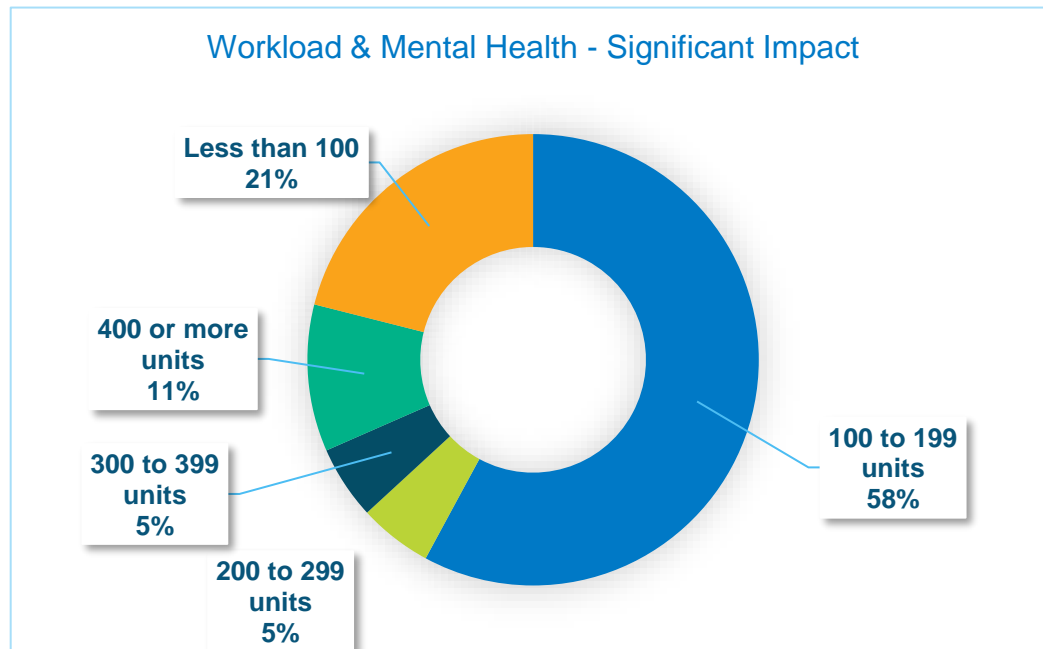
Correlations with Mental Health Impact – *Salary*



Correlations with Mental Health Impact – *Job Flexibility*

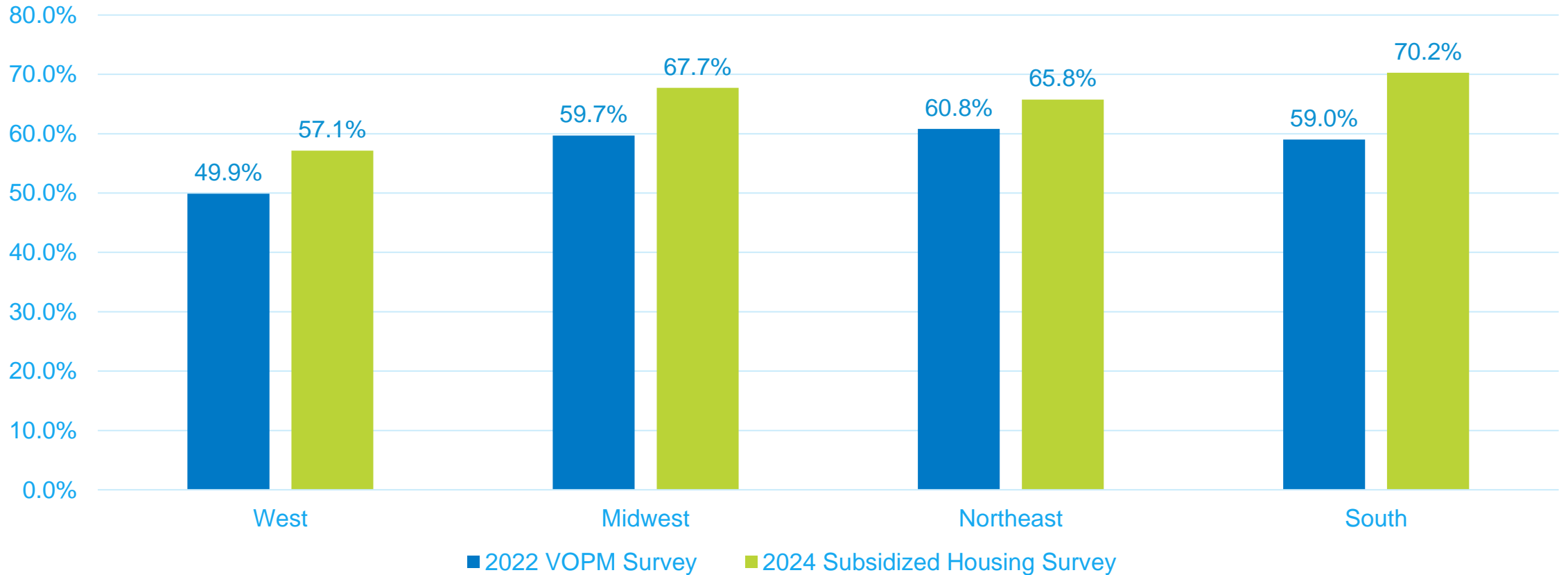


Correlations with Mental Health Impact - *Workload*



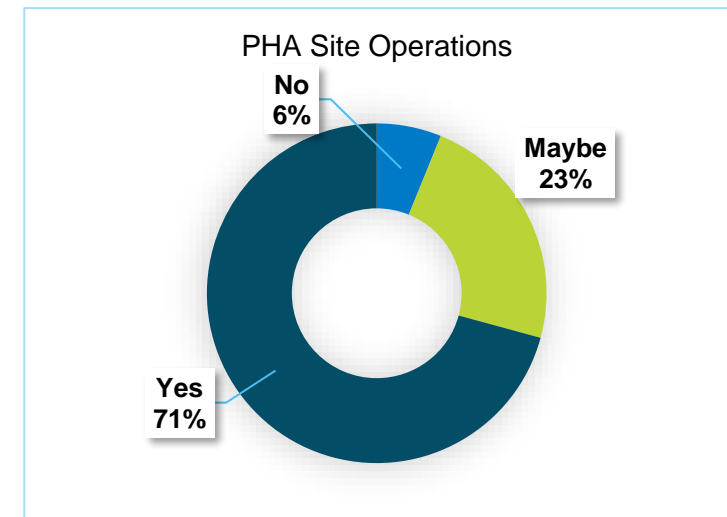
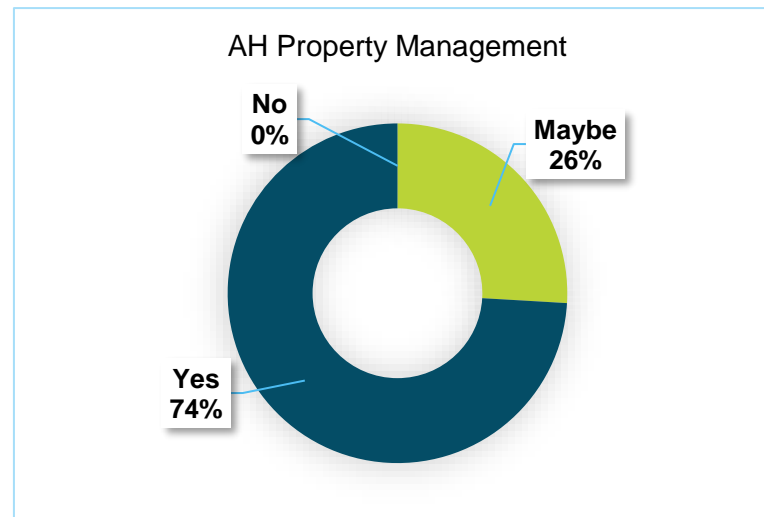
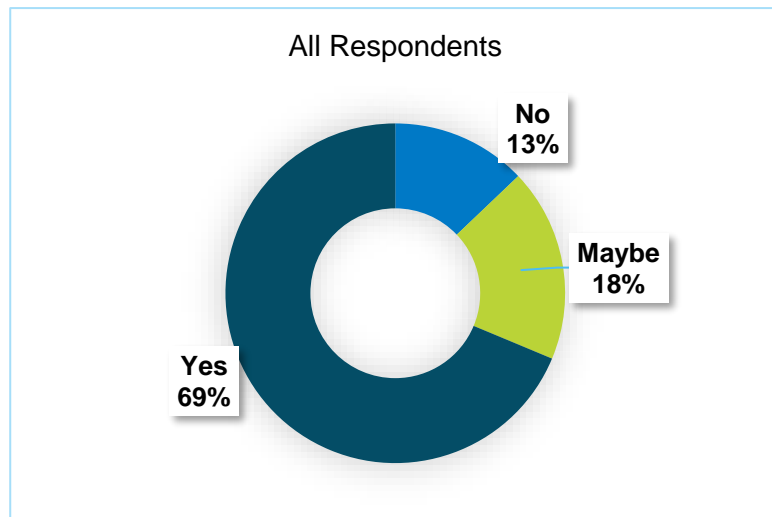
Regional Comparisons

% Respondents Satisfied Salaries



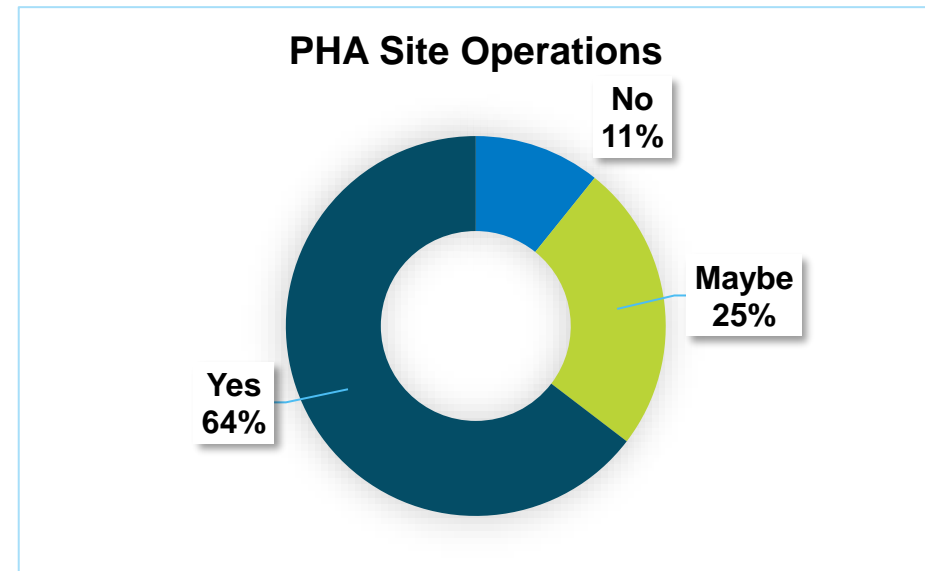
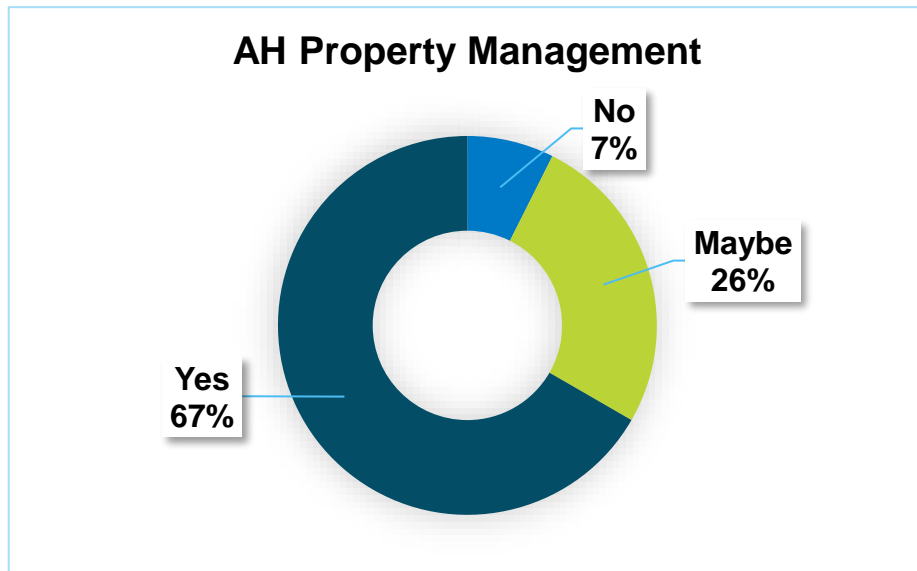
Commitment to Industry

Survey Question: Do you see yourself working in the subsidized housing industry in 3 years?



Commitment to Functional Area

Survey Question: Do you see yourself working in site management and operations in 3 years?



The Future of Affordable Housing

Top 5 Challenges Facing the Industry



Dealing with Challenging Residents



Housing Compliance Requirements



Managing the Workload



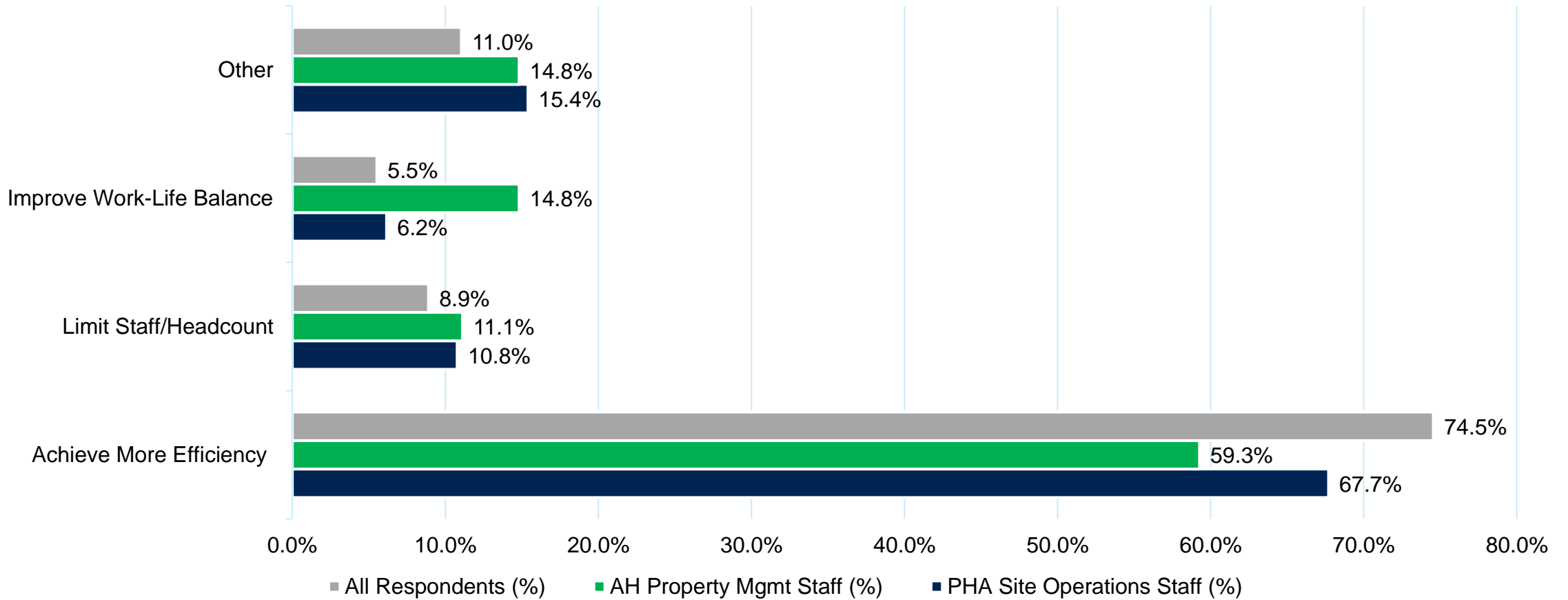
Maintaining Proper Staffing Levels



Keeping Up to Date with Legislation

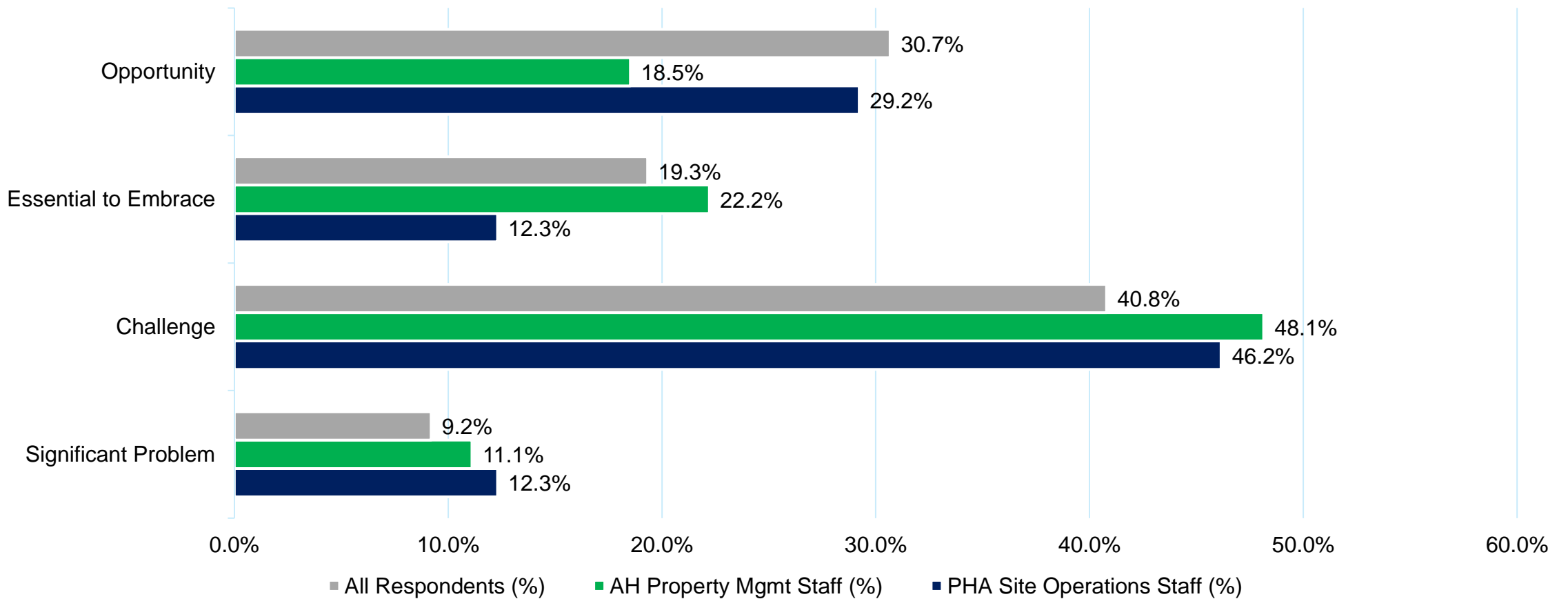
The Role of PropTech

Biggest Reasons to Adopt Technology



Perceptions on New Technology

Perceptions on Digital Disruption & New Technology



Major Takeaways

- High impact areas: compensation, job flexibility and training.
- Critical training areas: housing regulations and compliance, financials and accounting and industry news.
- Investing in change management and training.
- Greater focus on younger operators and their higher expectations for PropTech.
- Focus of PropTech: i) promoting efficiency, ii) facilitating communication with residents and iii) managing complexity with housing regulations.
- For PHAs - quality of PropTech, staff benefits, and training must keep pace with other segments of the real estate industry.



• COMING SOON •

The Voice of the Housing Operator Report



Scan the QR code
to join the email list
to get the report



Maximizing Outcomes with Data-Driven Policies

The Voice of the Subsidized Housing Operator

June 13, 2024

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CREDIT
CONNECT**

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National Council of
State Housing Agencies