



AFFORDABLE HOUSING INDUSTRY UPDATE

November 5, 2020 | Virtual

Presented by

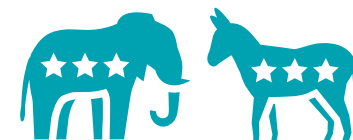


Federal Update: What's Happening with Legislation?

Emily Cadik, Executive Director, The Affordable Housing Tax Credit Coalition



2020 Election: Key Takeaways



Democrats retain control of House

Presidential race not yet called but Biden has clearer path

Senate too close to call but Republican control likely

Lame duck session: COVID relief and omnibus negotiations

Legislative gridlock in 2021 likely if divided government

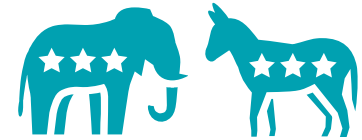
Opportunities to work with Biden Administration on CRA, IRS regulations and other housing issues

Our advocacy and bipartisan support is more important than ever



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Lame Duck Session



December 11: Continuing resolution expires, **must pass spending legislation** to continue funding government

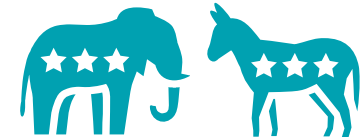
The potential for agreement on **broader legislation** could include:

- COVID relief, potentially to include rental assistance
- Extensions of temporary tax provisions



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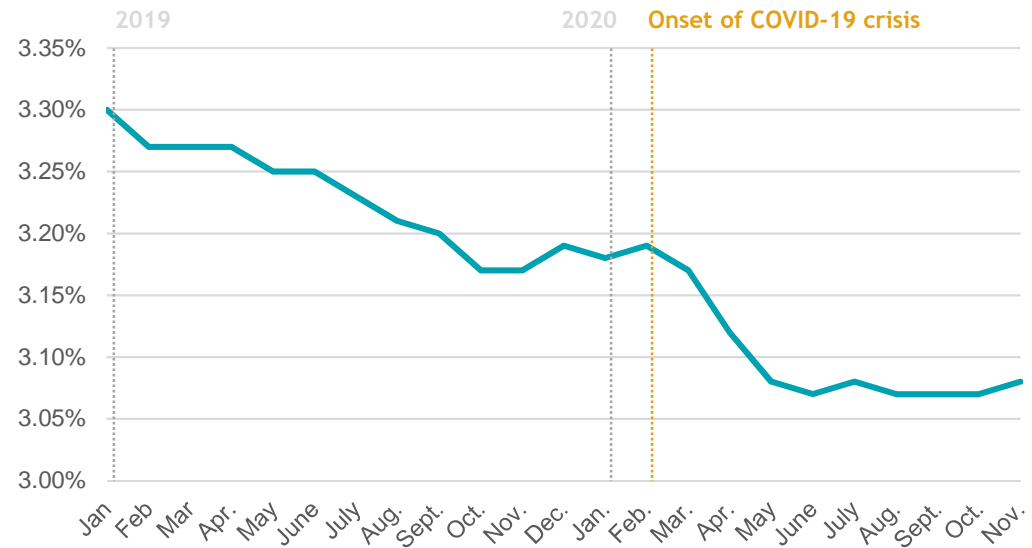
Lame Duck Session



Housing Credit Advocacy:

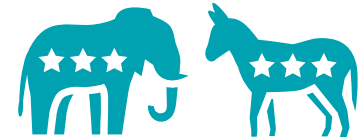
We will advocate for the minimum 4 percent Housing Credit rate, rental assistance and other priorities in any appropriate vehicle

4 Percent Housing Credit Rate



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Biden Housing Plan



“Invest \$640 billion over 10 years so every American has access to housing that is affordable, stable, safe and healthy, accessible, energy efficient and resilient, and located near good schools and with a reasonable commute to their jobs”

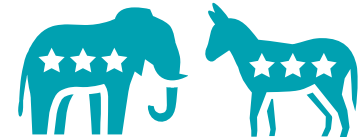
- Strengthening and expanding the Housing Credit with a new \$10 billion investment
- Providing Section 8 housing vouchers to all eligible families
- Creating a new renters’ tax credit
- Providing a new \$100 billion affordable housing fund
- Enacting a new Neighborhood Homes Tax Credit

While the Biden housing plan is ambitious, the ability to implement many of the proposals will depend on support from Congress



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Biden Administration Opportunities



CRA Reform

- Office of the Comptroller of the Currency: New leadership is expected, current CRA reform rule now unlikely to go into effect (currently slated to be enforced in 2023)
- Biden team supports “expanding and strengthening CRA to ensure that our nation’s bank and non-bank financial services institutions are serving all communities.”
- Federal Reserve CRA proposal a likelier starting point for all three CRA regulators to converge on one rule

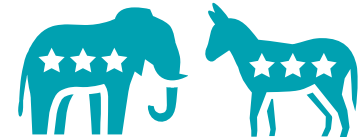
IRS engagement around deadline extensions, income averaging and other flexibilities and regulations

Other potential areas of collaboration with **HUD**



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Congressional Landscape and Advocacy



Gridlock is likely in divided government

Though the congressional landscape likely to be largely the same, there will be some important changes to key leadership positions and committees

Laying the groundwork for early reintroduction and advancement of Housing Credit legislation

Need to educate the new Congress and Administration, even if advocacy looks different than it did before the pandemic



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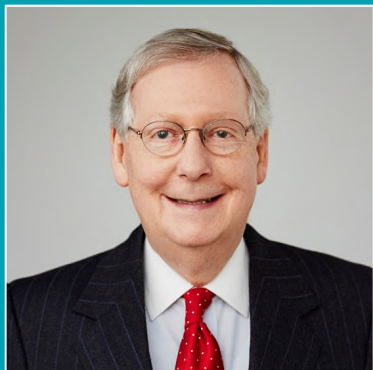
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COALITION



Likely Senate Leadership



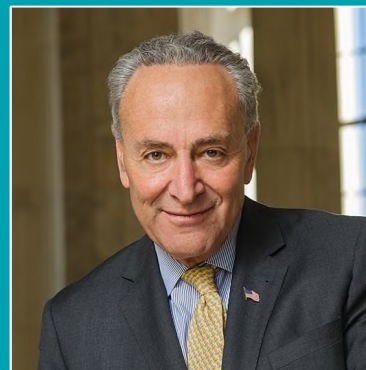
Senate Majority - Republicans



**Senate Majority
Leader
Mitch McConnell
(R-KY)**



**Senate Finance
Chairman
Mike Crapo
(R-ID)**



**Senate
Minority
Leader
Chuck
Schumer (D-
NY)**



**Senate Finance
Committee
Ranking
Member
Ron Wyden
(D-OR)**



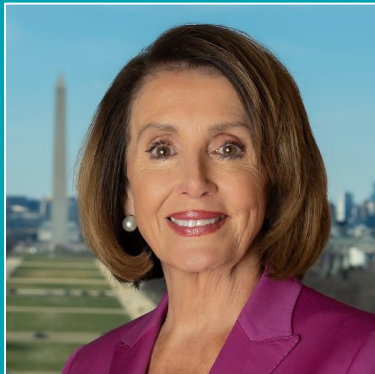
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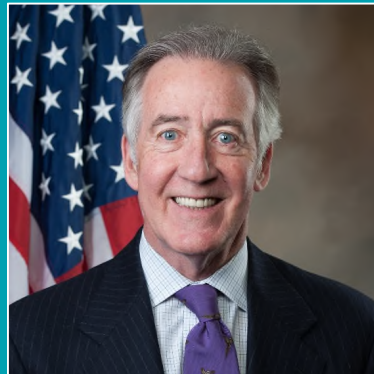
House Leadership



House Majority - Democrats



**Speaker of
the House
Nancy Pelosi
(D-CA)**



**Ways and
Means
Committee
Chairman
Richard Neal
(D-MA)**

House Minority - Republicans



**House Minority
Leader
Kevin McCarthy
(R-CA)**



**Ways and Means
Committee
Ranking Member
Kevin Brady
(R-TX)**



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Senate AHCIA Champions

Senate Democratic Leads



**Senator
Maria
Cantwell (D-
WA)**



**Senate Finance
Committee
Ranking
Member
Ron Wyden
(D-OR)**

Senate Republican Leads



**Senator
Todd Young
(R-IN)**



**To Be
Determined**



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House AHCTA Champions

House Democratic Leads



**Congresswoman
Suzanne
DelBene
(D-WA)**



**Congressman
Don Beyer
(D-VA)**

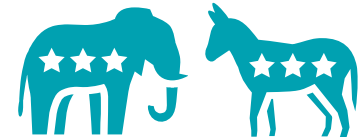


**Congresswoman
Jackie
Walorski
(R-IN)**



**To Be
Determined**

Housing Credit Supporters



Need to replace Housing Credit supporters, especially on Republican side

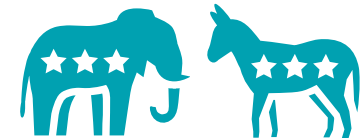
- Of the 11 Senate Republicans who co-sponsored the AHCA, two lost their reelection campaigns, and one retired
- Of the 79 House Republicans who co-sponsored the AHCA, 13 retired or resigned

However several incoming freshman already have affordable housing plans

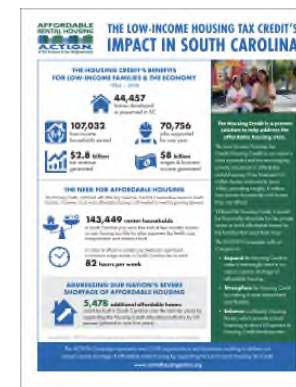


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Advocacy Resources



- AHTCC Affordable Housing Resource Center: taxcreditcoalition.org/advocacy-resource-center/
- AHTCC COVID-19 Resource Center: taxcreditcoalition.org/covid-19-resource-center/
- AHTCC Minimum 4 percent Housing Credit rate explainer + COVID-19 impact: bitly.ws/9G8T
- ACTION Campaign state/district data: rentalhousingaction.org/state-district



Join The Conversation: @AHTCCoalition

PHFA: What's New in 2020: QAP Criteria and RFP for Bonds

Holly Glauser, Director of Development, PHFA

Dave Doray, Manager of Multifamily Underwriting, PHFA



PHFA-Financed Case Studies: Recent New Construction Projects

Aaron Yowell, Partner & Chief Innovation Officer, Nixon Peabody LLP
Jenny Wu, Director of Development, Jonathan Rose



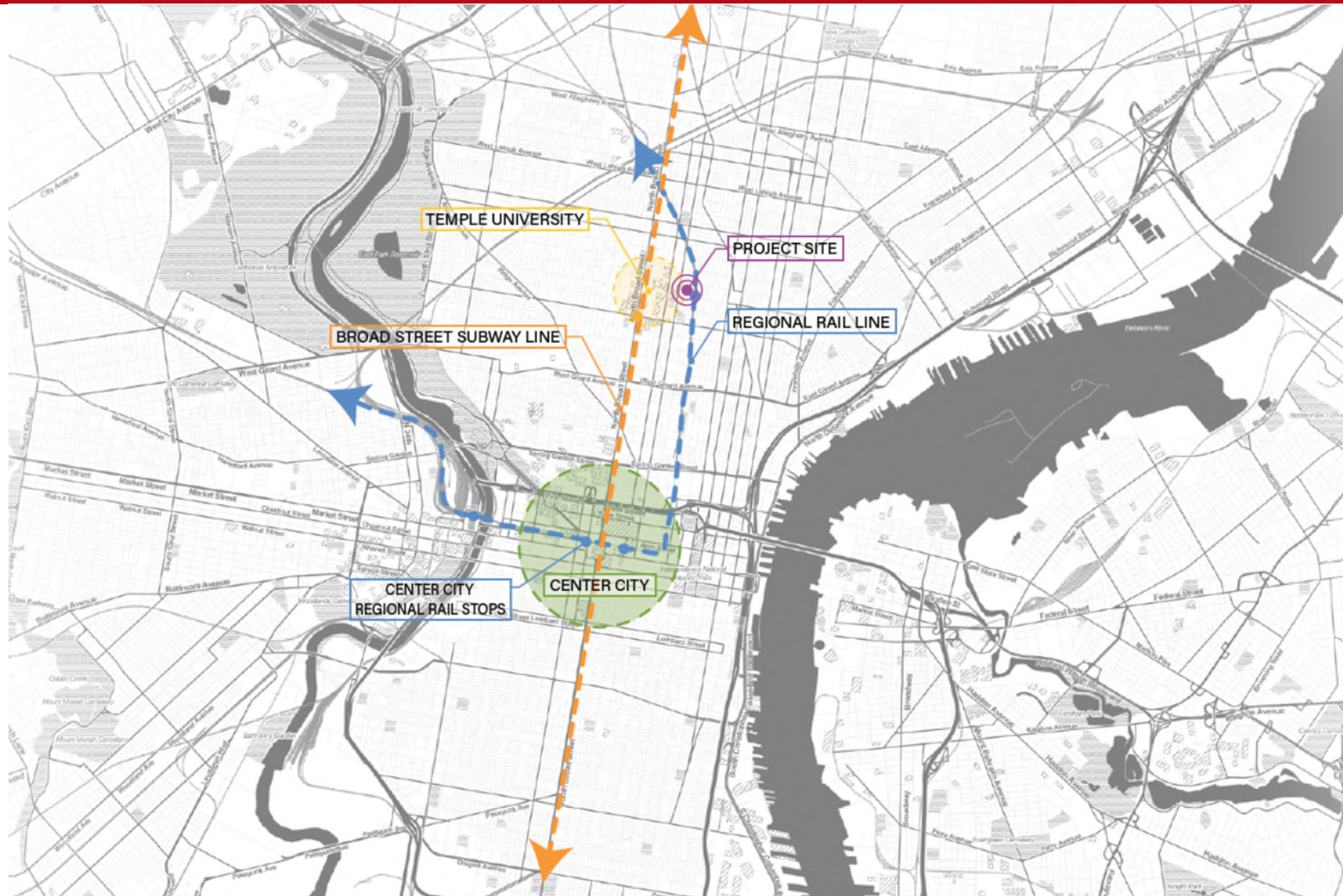
Affordable Housing Industry Update | Presented by PHFA and Nixon Peabody

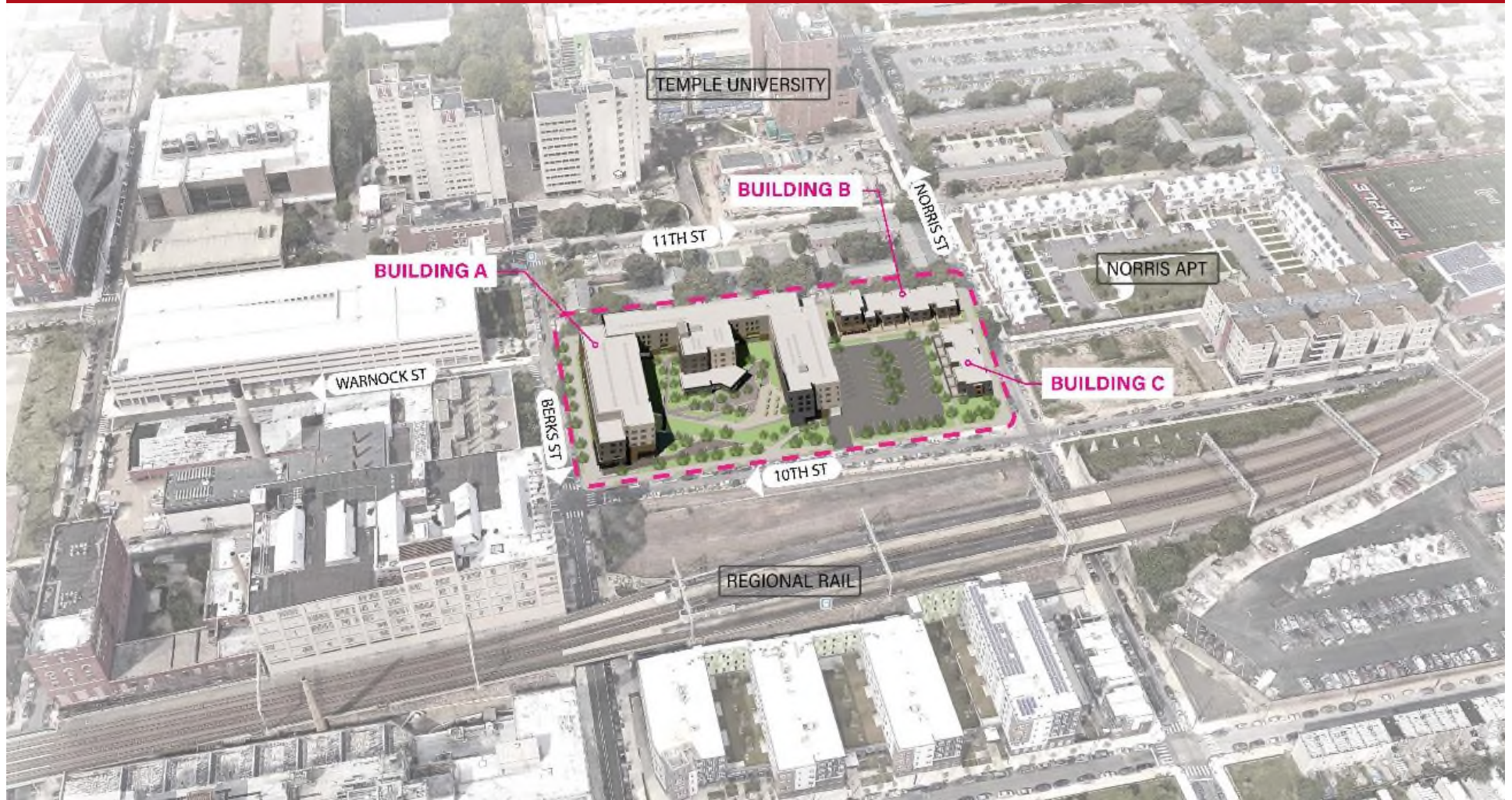
Norris Homes

Phase V | Philadelphia PA

Jonathan Rose Companies







Jonathan Rose Companies

Norris Homes: Previous public housing prior to demolition

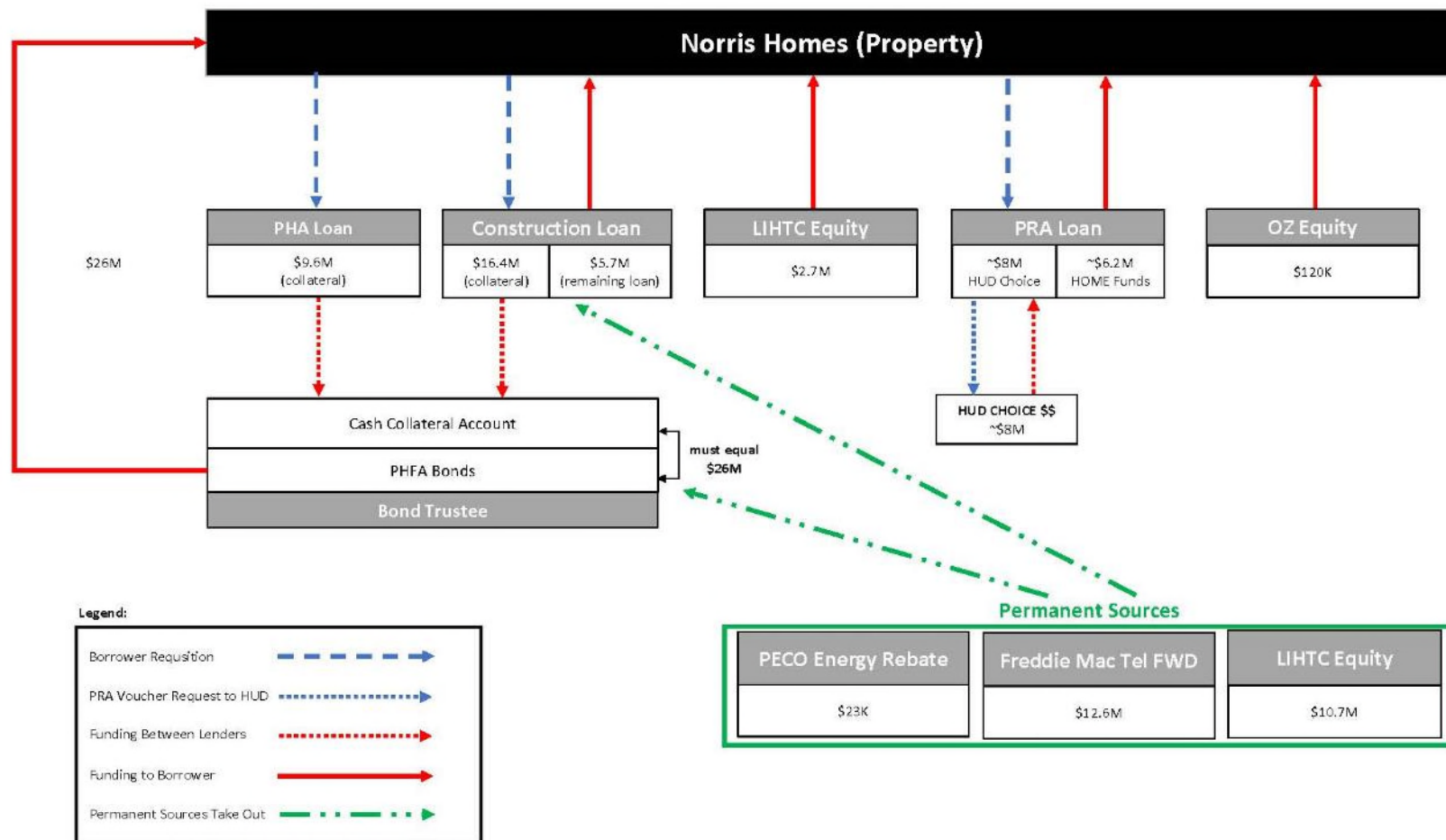














PHFA-Financed Case Studies: Recent Preservation Projects

Ed Campbell, Partner, Nixon Peabody LLP

Seth Gellis, Vice President, Community Preservation Partners



Presbyterian SeniorCare Portfolio



BASIC PROPERTY FACTS

- 278 Units
- Scattered site
 - Bellmead Apartments – Washington, PA (121 Units)
 - Park Manor - Butler, PA (50 Units)
 - Sunbury Fields – Butler, PA (37 Units)
 - Heritage House of Houston - Houston, PA (40 Units)
 - Bridge Street Commons – Waynesburg, PA (30 units)
- HUD 202 with S8 Contracts
- Built between 1983 & 1981

Presbyterian SeniorCare Portfolio



Joint Development without ownership

- Presbyterian SeniorCare Retained Ownership
- CPP jointly developed the projects with Presbyterian Seniorcare
- Presbyterian SeniorCare involved in all aspects of planning and decisions
- Presbyterian SeniorCare retained management and employees

Presbyterian SeniorCare Portfolio



Development Team

- Presbyterian SeniorCare Management Staff
- Contractor: Katerra Affordable
- Architect: E&A Architects
- Lender: JLL / Freddie TEL, Equity: PNC (Direct)

Presbyterian SeniorCare Portfolio



Sources & Uses		Project Start:	5-Dec-18
Underwriter: Bill Bailey		Closed:	12-Dec-19
Debt:	JLL	Freddie TEL	21,122,000
Seller Loan:	PSC		7,600,000
Transfers Reserves:	Properties		1,672,062
Equity:	PNC (Direct)	\$1.01	14,202,499
Energy Rebates:	ERA Form	Various Utilities	345,670
Income from Operations:	Properties		2,476,734
Deferred Developer Fee	Developer		1,286,152
			<hr/>
			48,705,117
Acquisition			24,255,000
Construction Costs			14,664,482
Professional Fees			812,090
Miscellaneous Fees			472,593
Construction Financing & Charges			1,968,417
Financing Placement			1,187,475
Operating Reserves			1,109,282
Tax Credit & Agency Fees			341,100
Developer Fee			3,894,678
			<hr/>
			48,705,117

Presbyterian SeniorCare Portfolio



<u>Schedule & Timing</u>	
Start	5-Dec-18
Initial Application	1-Apr-19
Underwriting Application (Full)	3-Jun-19
Board Meeting Approval	10-Oct-19
42 M Letter	8-Nov-19
Closing	13-Dec-19

Presbyterian Seniorcare Portfolio

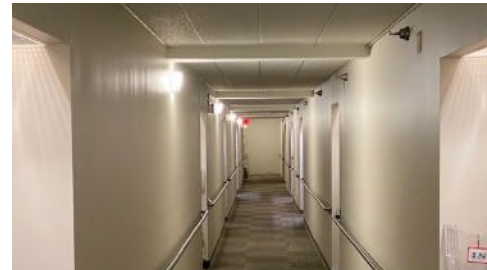


UNIQUE ASPECTS OF DEAL

- Interest rate volatility/ Closing constraints with Freddie
- 6 Applications with PHFA (5 separate and 1 consolidated)
- Individual project threshold scoring with PHFA
- In Place PILOT that terminated upon sale

Presbyterian Seniorcare Portfolio

Bellmead



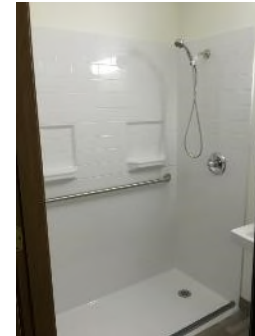
Presbyterian Seniorcare Portfolio

Park Manor



Presbyterian Seniorcare Portfolio

Sunbury Fields



Presbyterian Seniorcare Portfolio

Heritage House of Houston



Presbyterian Seniorcare Portfolio

Bridge Street Commons



Thank you!

OUR SPEAKERS

Meghan Altidor, Partner, Nixon Peabody LLP – Moderator

Emily Cadik, Executive Director, The Affordable Housing Tax Credit Coalition

Ed Campbell, Partner, Nixon Peabody LLP

Dave Doray, Manager of Multifamily Underwriting, PHFA

Seth Gellis, Vice President, Community Preservation Partners

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