Raymond James Tax Credit Funds

Proven Performance | Strength and Stability | Focused Expertise

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RAYMOND JAMES TAX CREDIT FUNDS – HISTORY AND ORGANIZATION

Raymond James Financial – Parent Corporation

- Full-service securities firm founded in 1962 and public since 1983 (“RJF” on NYSE)
- Client assets under administration of **$650 billion**

Raymond James Tax Credit Funds

- Wholly-owned subsidiary of RJF
- Active since 1987; affordable housing investors since 1968
- Acquired **over 1,900** LIHTC properties in 47 states
- 110 staff members in 7 departments, including 24 asset management staff
- **Ranked #1** among all firms in new syndicated equity volume in 2013, 2014, 2015, 2016, and 2017[1]
- **Ranked #1** among all syndicators in transactions closed, 2014, 2015, 2016 and 2017[1]

(1) DTM & Associates annual survey

FY2018 Investment

- Placed $1.05 billion of new equity
- 103 transactions across the United States
- 55 investors

Points to Consider

1. Debt structuring and Bond Issuance
   - Short-term (construction) and long-term (permanent) bonds
   - Collateralized construction loans with FNMA/FMAC permanent loan (new construction)
   - Immediate funding permanent loan with bridge loan (acq/rehab)
   - Letter of Credit vs Private Placement vs Conduit (Back-to-Back)

2. Higher Transactional Costs
   - Bond issuance costs
   - Underwriter's fees
   - Legal fees

3. Less Equity vs 9% LIHTC deals / Mind the Gap

4. Larger project size vs 9% LIHTC deals

5. More RISK!

New Construction

Uses

Acquisition Costs	*$ 4,500,000*
Hard Construction Costs	*21,000,000*
Contingency	1,000,000
Soft Costs	7,500,000
Reserves	500,000
Developer Fee	4,500,000
Total Uses	39,000,000

Sources

LIHTC Equity	$13,000,000
Must-Pay Debt	*8,500,000*
Deferred Developer Fee	1,000,000
GAP Financing	*16,500,000*
Total Uses	39,000,000

Acquisition/Rehab

Uses

Acquisition Costs	*$25,000,000*
Hard Construction Costs	*7,700,000*
Contingency	770,000
Soft Costs	5,000,000
Reserves	1,500,000
Developer Fee	3,000,000
Total Uses	42,970,000

Sources

LIHTC Equity	$11,970,000
Must-Pay Debt	*30,000,000*
Deferred Developer Fee	1,000,000
GAP Financing	*0*
Total Uses	42,970,000

PROPERTY SUMMARY – ORIENT HEIGHTS PHASE I

- 120-unit new construction LIHTC project in Boston, MA.
- First of a four phase redevelopment of the Boston Housing Authority-owned Orient Heights property.
- Completed May 2018. 100% occupied as of 4Q 2018
- Joint venture between Trinity Financial Inc. & East Boston CDC
  - Both have over 25 years of experience
  - Developers had previously worked together 3 times
- Jointly managed by Trinity Management & Metro Management
  - Affiliates of the developers
  - Management office on site
- Suffolk Construction served as GC
  - Over 30 years of experience

FINANCING – ORIENT HEIGHTS PHASE I

- $26.5M private placement bond issuance using Citibank “Back-to-Back” loan structure; no must-pay permanent debt
- 3 soft loans from the BHA using various programs totaling $33M+:
  - $10.7M – DHCD High Leverage Asset Preservation Program funds
  - $22M – DHCD State Public Housing funds
  - $1M – City of Boston Neighborhood Housing Trust funds
- $18.1M in LIHTC Equity
- $Total Development Cost of $52.3M
- Substantial User Issue

DEAL HIGHLIGHTS – ORIENT HEIGHTS PHASE I

- Rental Assistance
  - 75% of units covered by State Public Housing Assistance
  - 25% of units covered by Massachusetts Rental Voucher Program (MRVP)
  - Subsidy reserves were established for Public Housing and MRVP units

- Supportive Services: Full-Time Resident Services Coordinator

- Section 3 Requirements
  - Section 3 Residents are:
    - Public housing residents
    - Low and very-low income persons who live in the metropolitan area or county where a HUD-assisted project is located.
  - Resident Employment Requirements
    - 30% of new hires at the subject must be Section 3 residents
    - 10% of the labor at the subject must be completed by Section 3 residents

- Partnership leased the land from the BHA for $1 per year for a term of 99 years

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