Multi-Family and Recapitalization

Atlanta, Georgia
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COLUMBIA RESIDENTIAL

Laurel Hart, VP of Asset Management and Preservation

Jim Grauley, President, Chief Operating Officer

HUD Emerging Strategies in Affordable Housing
Columbia Residential

Affordable Senior Living

Mixed-Income New Communities

High Rise Redevelopments

Supportive Housing

Affordable In-Fill Housing

Atlanta, Georgia

www.columbiares.com
Columbia Residential

Operates in urban markets in the Southern US, (currently in GA, TX, LA, FL)

Owner/Developer/Manager of Affordable and Mixed-Income communities for families, seniors, and special needs populations

Developed and manage a portfolio of over 7,500 units; over 5,000 in metro Atlanta

Specialize in transformational community development and innovative partnerships

Atlanta-based, 27-year history

Columbia Ventures sister company formed in 2013
### CITYWIDE TOTALS

- **40** communities developed totaling **4,829** units
- **9** additional communities to be developed/redeveloped totaling **1,625** units
Why Affordable Multi-Family Preservation is a Priority

- By 2030, nearly half a million current LIHTC units, or nearly a quarter of the total stock will reach the end of all federally mandated rent-affordability and income restrictions.
- The fastest growing cities in the United States saw a substantial decline in affordable housing units.
- Deterioration of HUD funded Housing stock without adequate resources to recapitalize.
- Expiration of federal contracts for rental assistance.
Factors Driving Loss of Affordable Multi-Family Units

- **Qualified Contract Exits.** Recent analyses indicate that the qualified contract process is resulting in the premature loss of many low-income units annually. Georgia has lost more than 10,000 affordable housing tax credit units to the Qualified Contract process in the last five years.

- **Rapid gentrification and increasing market rents.** Creates high demand for market multifamily units.

- **Inadequate Replacement Reserve Accounts.** Aging properties have insufficient resources to make needed capital repairs.

- **High construction costs.** Existing properties can be acquired well below replacement costs.

- **Limited Resources.** Subsidy needed for affordable recapitalization
MULTI-FAMILY RECAPITALIZATION
Columbia Portfolio Strategies and Resources

1. **Public Housing RAD Conversions** in Development, Re-development or Portfolio Conversions
2. **HUD Section 8** – Preservation/Redevelopment through Preserved and Restructured HAP contracts
3. **Re-syndication of new LIHTC**, with tax exempt bond structures
4. **Refinancing** through HUD/FHA and other GSE products to extend life
5. Acquisition/Preservation of “**Naturally Occurring Affordable Housing**”
6. Federal/State/Local **GAP Funding Programs**- (i.e. HOME)
Preservation and Redevelopment of 149 units of affordable housing for seniors and disabled persons – Midtown Atlanta

Atlanta’s First RAD Conversion and Recapitalization

Complete building renovation and modernization

Irreplaceable Location

Opened February 2018

- RAD HAP Contract – all units
- 9% LIHTC Syndication
- Private 1st Mortgage
- PHA 2nd Mortgage
Columbia Brookside – Athens, GA

- 3-phase master plan redevelopment, completed Spring 2017
- Replaced and preserved 125 obsolete PHA units
- New 370 unit mixed-income family and senior living community
Preservation & Redevelopment of Edgewood Courts Apartments
Atlanta, GA

Preservation and Redevelopment of distressed HUD affordable housing development in rapidly gentrifying neighborhood

Renovation and New Construction – totaling 222 units

Preserve 204 unit HAP Contract

Invest Atlanta Tax Exempt Bonds

Fannie Mae MTEB Loan

4% Federal & State LIHTC

Completion September 2018

Jonathan Rose Companies
Capitol View Apartments
Atlanta, Georgia

- 120-unit acquisition / redevelopment
- Fronts Atlanta Beltline Westside Trail
- Preservation of naturally occurring affordable housing
- 20% of units permanent supportive housing
- Preserved as income-averaged affordable housing

- Acquired with bridge financing
- Construction to begin – October 2019

- Invest Atlanta Bonds and Gap Funds
- Historic Tax Credits
- 4% LIHTC Syndication
- DCA TCAP and HOME
- Partners for HOME PSH units
RAD Conversions of Columbia PHA Portfolio

RAD Portfolio Goals

▪ Safeguard long-term rental housing assistance for both current tenants and future generations;
▪ Improve and Modernize HUD-assisted multifamily properties; and
▪ Stabilize these properties by placing them on solid financial footing.
▪ Both recapitalization and Subsidy-only conversion to RAD
Columbia RAD Portfolio Benefits

- 15-20 year, renewable contracts with Use Agreement
- Predictable initial contract rent setting; annual operating cost adjustments for inflation (OCAF)
- Elimination of costly and complicated PHA expenditure analysis on Management side
- Established Replacement and Operating Reserves;
- Ability to use HUD funding sources such as HOME in rehab
- More incentives for Lenders
- No limitations on use of project cash flow
- Long term affordability ensured
- Moving to Work Flexibility
Columbia RAD Portfolio Challenges

- In-Place Investor and Lender Approvals – requires amendment of partnership agreements/reserve accounts, subordination of existing debt to RAD Use Agreement
- Complex program – knowledge of other HUD programs won’t help
- Time consuming – takes 8-18 months
- Combining existing project structure with new program rules
Thank You