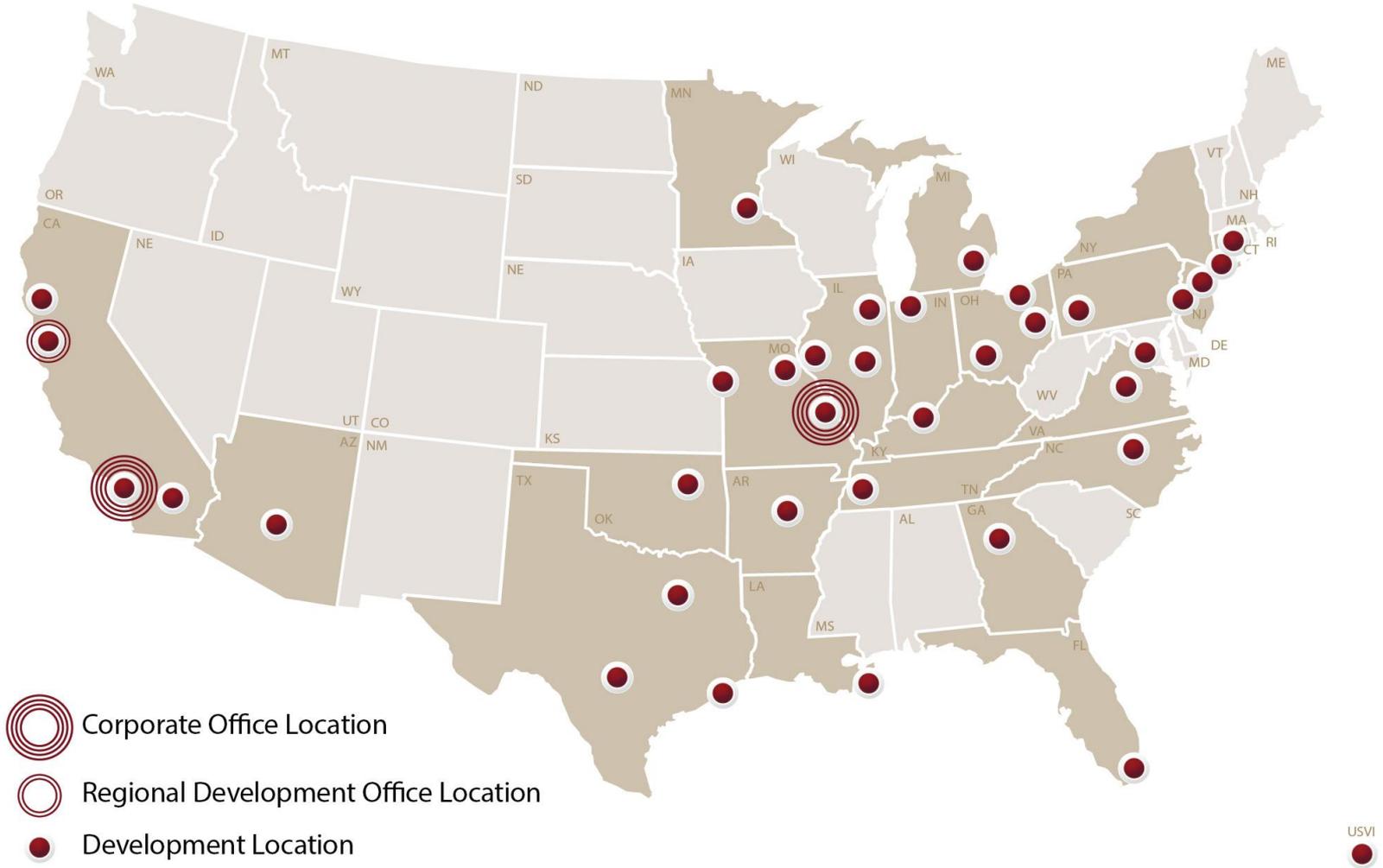


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What's the Right Mix in Mixed-Income Housing?

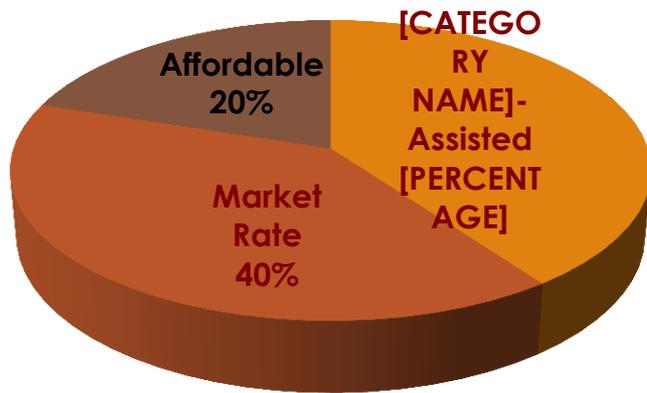
MARCH 17, 2016

About McCormack Baron Salazar: Geographic Markets



Mixed Income Development: Determining the Mix

Sample Housing Mix



What type of mix?

- Balance of types
- Creates shared values

Why is an unrestricted component important?

- Attract and retain residents with choices
- Allows residents to remain in community (move up, not out)
- Builds the market
- Diverse income stream
- Operating budget supports higher standards
- Private sector investment

Market Assessment – Information We Look For

- Transformation goals – for the development and neighborhood
- Neighborhood Assets, Weaknesses
- What is our competition?
- Who is existing market / who is new market?
- What are current rents? What could they be?
- What type of housing does the market need?
- What is rent range for new mix?
- Absorption rates?

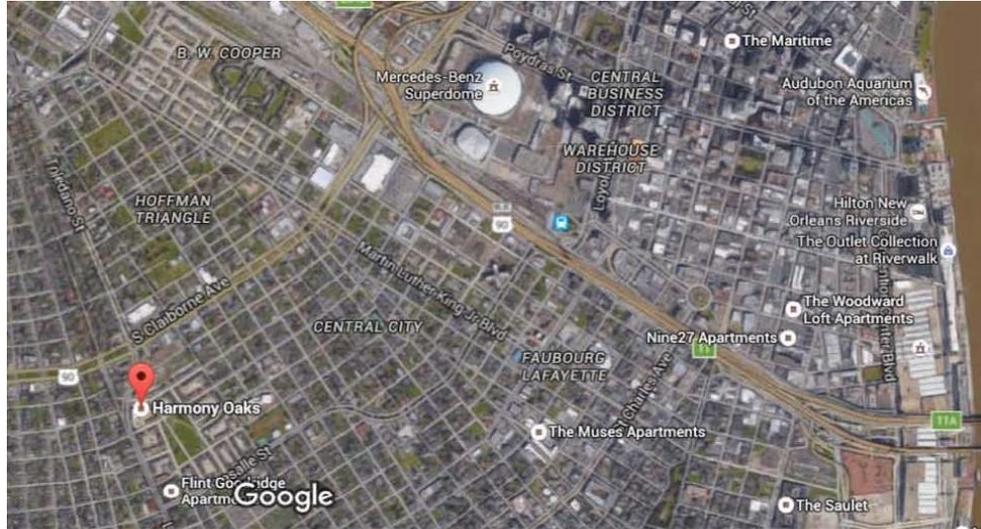
Manage to Market Rate Expectations

- Operate assuming **every resident has a CHOICE**
- Provide the best possible service
- Maintain the most competitive position
- Enhance the value of the property
- Understand the human element
- Implement a fair screening and selection process
- Have a well-trained, competent, committed staff

Project Examples

MIXED-INCOME, MULTI-FAMILY COMMUNITIES

Harmony Oaks, New Orleans, LA



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Harmony Oaks, New Orleans, LA



Unit Mix

- 123 (27%) Market Rate
 - 144 (31%) Affordable (60% AMI)
 - 193 (42%) Public Housing (ACC)
- 460 Total

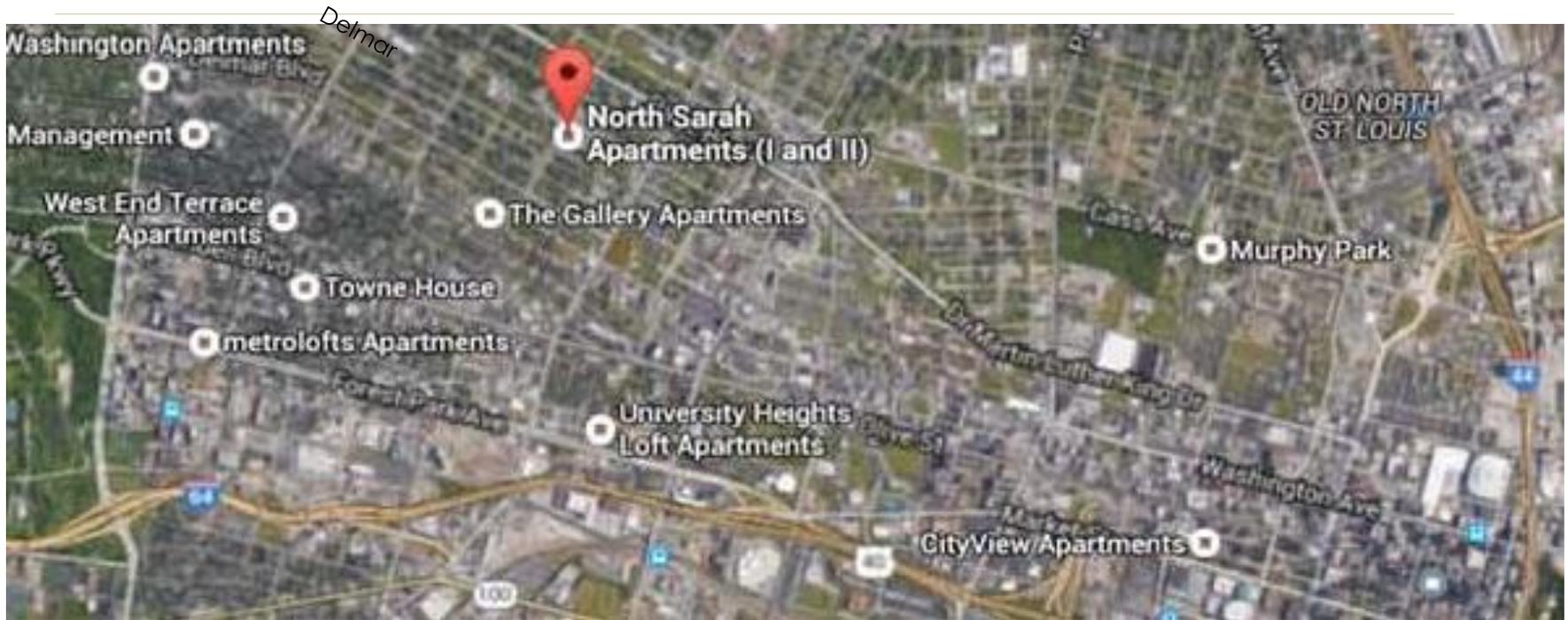
Rents

Type	1-BR Grdn	2-BR Grdn	2-BR TH	3-BR TH	4-BR TH
Market	\$995	\$1465	\$1515	\$1297	\$1535
Affordable	\$633	\$748	736	\$856	\$932

Demographics

- Families, singles, couples
- Attracted to location, amenities, new construction, proximity to jobs, new retail, new KIPP school
- Primary turnover reasons: homeownership, job change

North Sarah Apartments, St. Louis, MO



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North Sarah Apartments, St. Louis, MO



Unit Mix

- 123 (27%) Market Rate (Inc. Live-Work)
 - 144 (31%) Affordable (60% AMI)
 - 193 (42%) Public Housing (ACC)
- 300 Total

Rents

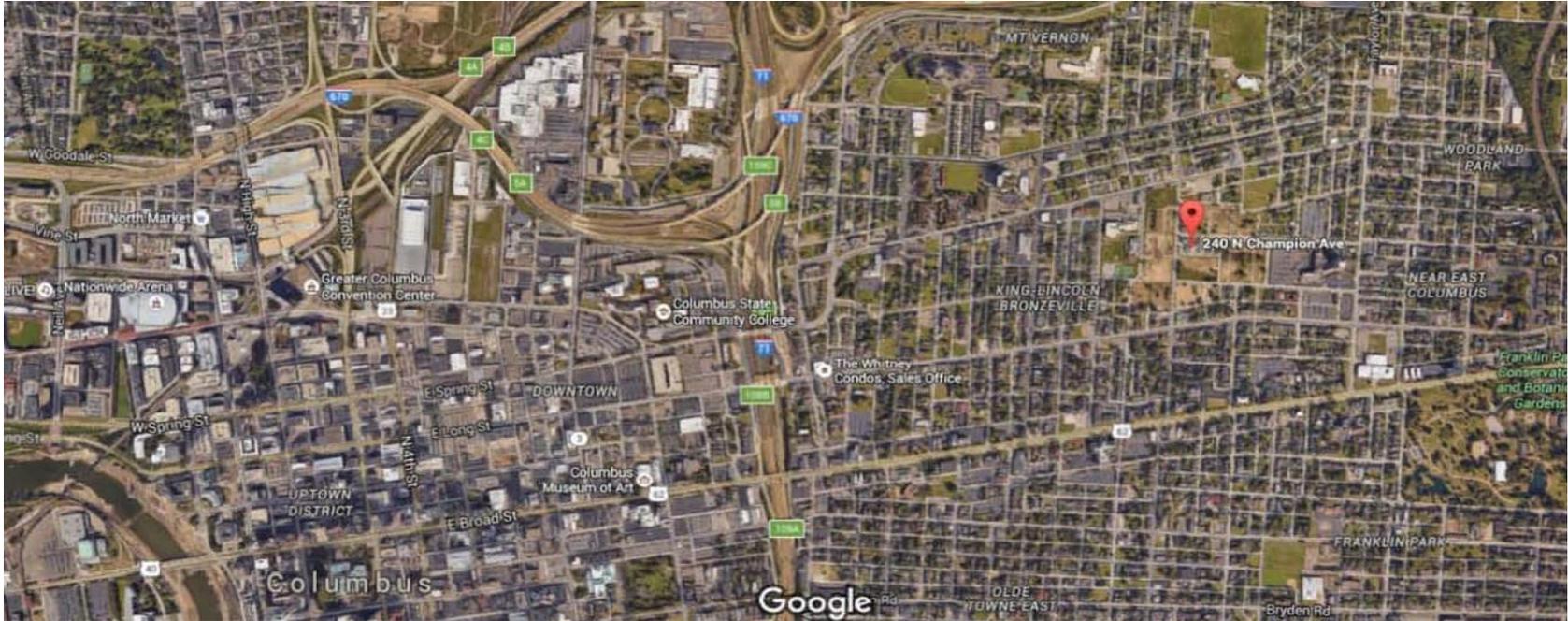
Type	1-BR Grdn	2-BR Grdn	2-BR TH	3-BR TH
Market	\$725	\$850	\$850	\$960
Affordable	\$640	\$749	\$749	\$855



Demographics

- Primarily families, small business owners (live-work units)
- Attracted to: location, amenities, new construction, proximity to job centers
- Primary turnover reason: homeownership

Poindexter Village (CNI), Columbus, OH



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Poindexter Multifamily Apartments, Columbus, OH



Unit Mix (Family Phases 1 & 2)

- 65(37%) Market Rate
 - 46(26%) Affordable (60% AMI)
 - 63(36%) Public Housing (ACC)
- 171 Total

Rents

Type	1-BR Grdn	2-BR Grdn	2-BR TH	3-BR TH
Market	\$700	\$850	\$900	\$1000
Affordable	\$650	\$785	\$800	\$900

Demographics

- Families, singles, couples, small business owners (live-work)
- Attracted to: location, proximity to job centers, revitalization of area

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Questions?
