Leveraging Investment in Affordable Housing Using Federal and Local Resources

Economic Development Department
&
Neighborhood Services Department

Overview and Major Projects

Presented by:

Jay Chapa, Director

Economic Development

City of Fort Worth

Overview

- Multiple Resources Mixed/Matched to Make Deals Work
  - Community Revitalization
  - Mixed Income
- HOME
- CDBG
- Low-Income Housing Tax Credits
- Housing Finance Corp / Local Development Corp
- Private Equity / Financing
- Tax Incentives

Pinnacle Bank / Lancaster Corridor

Unique because…

- *Mixed Use*
- *Mixed Income*
- *P3*
- *Redevelopment Catalyst*

Pinnacle Bank Place

Total Project: $30.8

Total Units: 130

Source of Funds:

- HOME Funds
- LDC Funds
- Private
- Lancaster TIF
- Debt Financing

Deal Structure

- Fort Worth Local Development Corp.
- Lancaster Corridor Redevelopment, LLC (Single Asset Entity)
- CC Local Government Corp
- Pinnacle Bank

Knights of Pythias

Unique because…

- *Adaptive Reuse of Historically Significant Building*
- *Infill Redevelopment*

Total Project: $2.2M

Total Units: 18

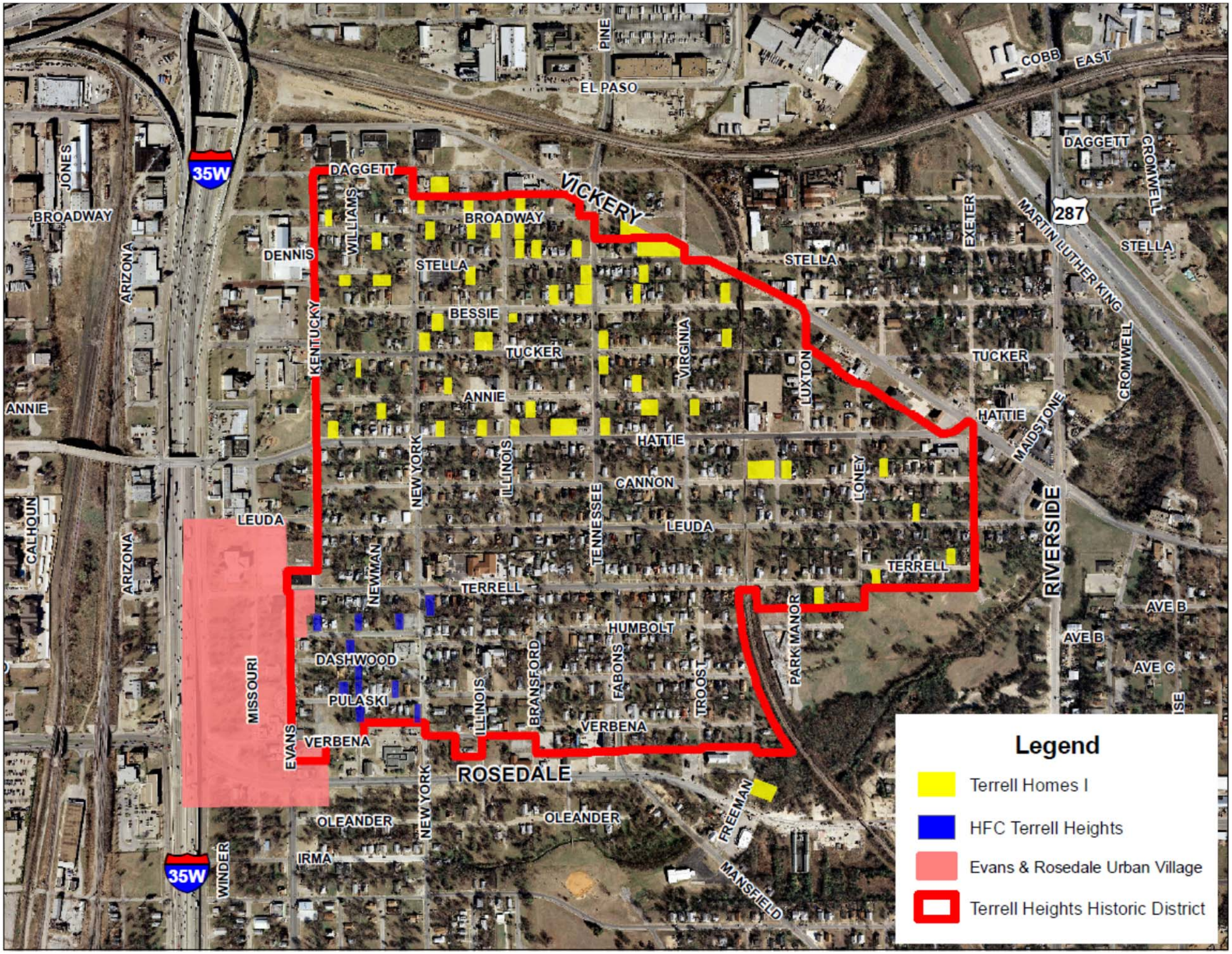
Source of Funds:

- CDBG
- Housing Authority

Deal Structure

- City of Fort Worth
- FW Housing Authority
- Downtown Fort Worth, Inc.

Evans and Rosedale\Terrell Heights Redevelopment



Terrell Homes

Unique because…

- *Single Family Rental*
- *To be converted to Owner Occupied*

Total Project: $11.6

Total Units: 54 single family

Source of Funds:

- HOME
- Private Funding
- LIHTC

Deal Structure

- FW Housing Finance Corp.
- NRP Group

Terrell Homes
Before & After Photos

Race Street Lofts

Unique because…

- *Redevelopment site*
- *First new multi-family in area in 40-years*

Total Project: $8M

Total Units: 36

Source of Funds:

- LIHTC
- NRP Group
- HOME

Deal Structure

- FW Housing Finance Corp.
- NRP Group

West 7th Development

Unique because…

- *Significant Affordable units without fed. subsidy*

Total Project: $182.6M

Total Units: 537

Source of Funds:

- Private Funding
- City Incentives

Deal Structure:

- Chapter 380 Grants for up to 15-years
- Carlyle/Cypress West 7th, LP

- **Commercial**
  – 200,000 SF
- **Residential**
  – 460,000 SF
- **Office Space**
  – 100,000 SF

The Reserve

Class "A" Workforce Housing Development
in Fort Worth, Texas

Presented by

Miller Valentine Group

Chris Applequist – Developer

Overview – Miller Valentine Group

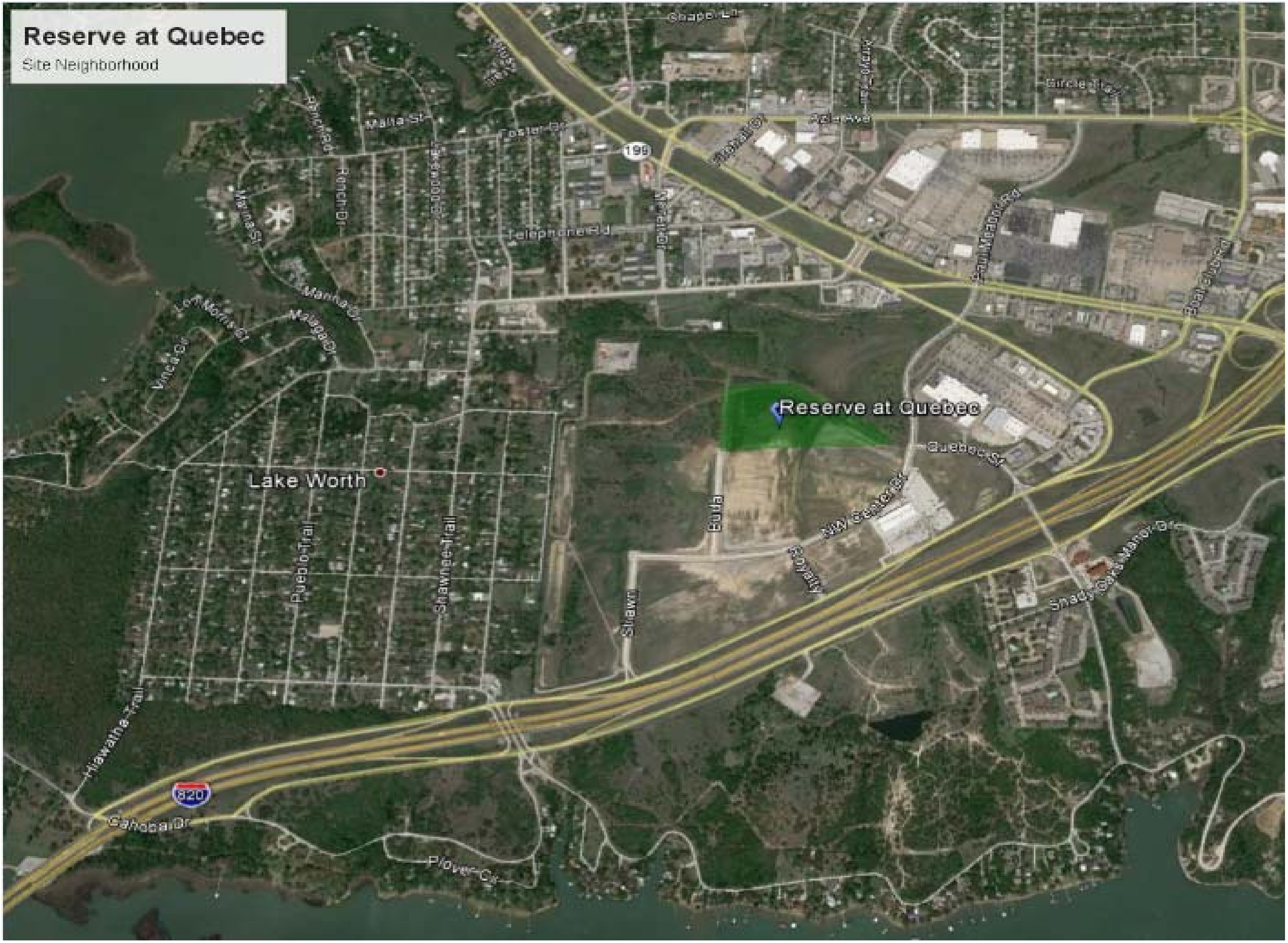
- Founded in 1963, MV has been in operation for over 50 years and owns over 13,000 units.

- Experienced, vertically integrated:
  - Development
  - Construction
  - Property Management
  - Asset Management

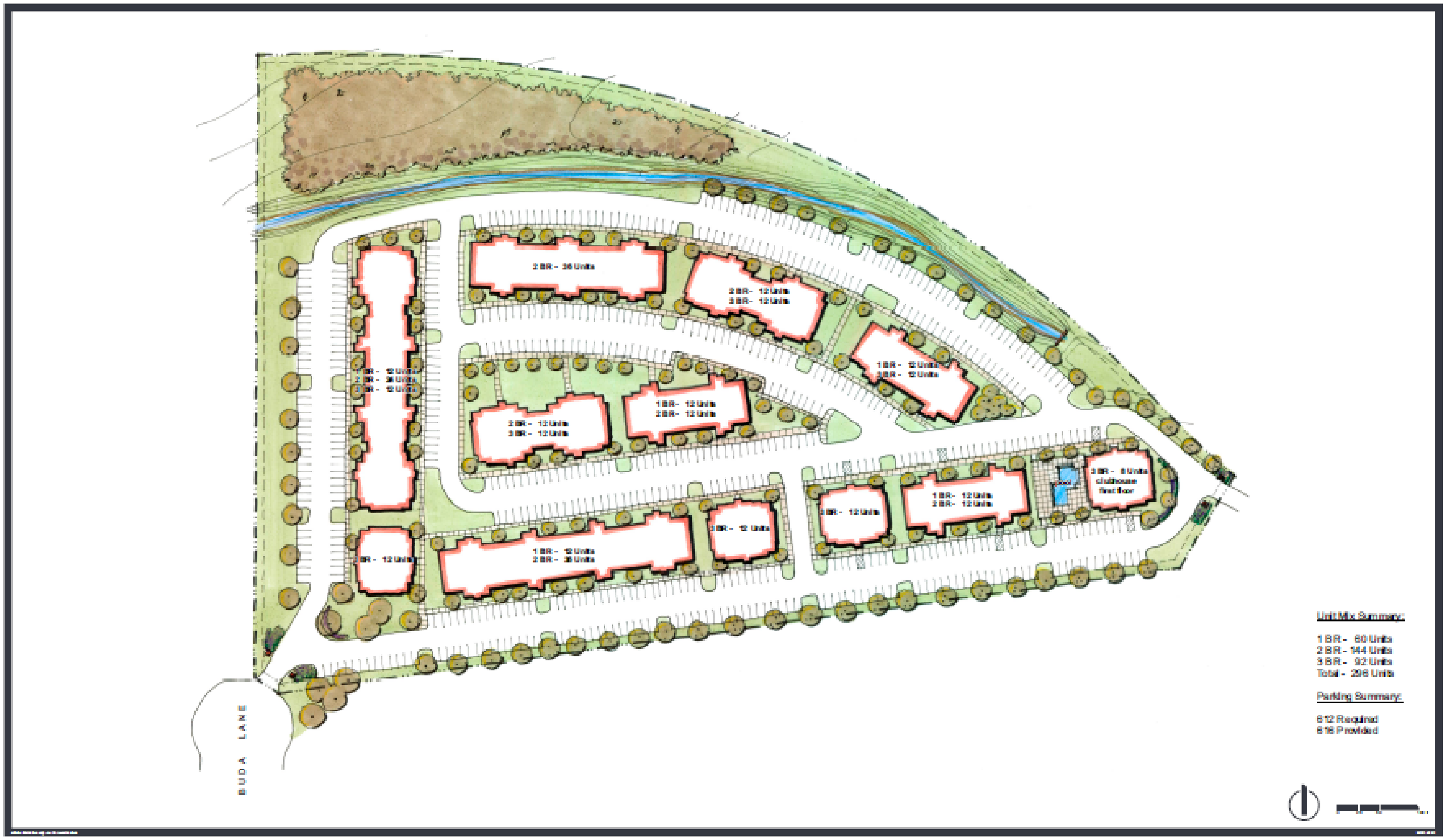
- Approximately 900 Associates with offices in Dayton and Cincinnati, Ohio; Columbia and Charleston, South Carolina; Charlotte, NC, and Dallas, TX.

- Recipient of multiple awards and recognition including:
  - Top 50 Affordable Housing Owners in the U.S.
  - Historic Adaptive Use Award
  - Certified “Green” contractor
  - Award of Excellence

The Reserve


Reserve at Quebec
Site Neighborhood
Reserve at Quebec
Lake Worth
Malta St
Foster Dr
Telephone Rd
Marina Dr
Malaga Dr
Azle Ave
199
Quebec St
NW Center Dr
Buda
Royalty
Shawn
Pueblo Trail
Shawnee Trail
Hiawatha Trail
820
Cahoba Dr
Plover Cir
Shady Oaks Manor Dr
Boat Club Rd

The Reserve



m-a

ma architects

ma-architects.com

RESERVE AT QUEBEC

fort worth, texas

site study

11.13.2014

The Reserve

The Reserve will include the following common area and unit amenities.

Common Amenities
-Resort Style Pool with Wifi
-Cafe area with Starbucks Coffee
-Outdoor Kitchen Area
-Fitness Center
-100% Masonry Exterior
-Ample Green Space
-Community Room
-Business Center
-Gazebo with BBQ Grills
-Lush landscaping

Unit Amenities
-9' Ceilings
-Low-e Windows
-Low-Flow Fixtures
-Berber Carpet
-Enlarged Balcony Areas
-Ample Storage
-Open Floor Plans
-Pre-Wired for Cable/Internet
-Washer/Dryer Hook ups
-Energy Star Appliances

The Reserve

artistic illustration only - not for construction

m+a architects
ma-architects.com

Miller Valentine Group

RESERVE AT QUEBEC

fort worth, texas

preliminary rendering
12.17.2014

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The Reserve

Resident Services

- Free after-school programs
- Computer Access
- Health Awareness Classes

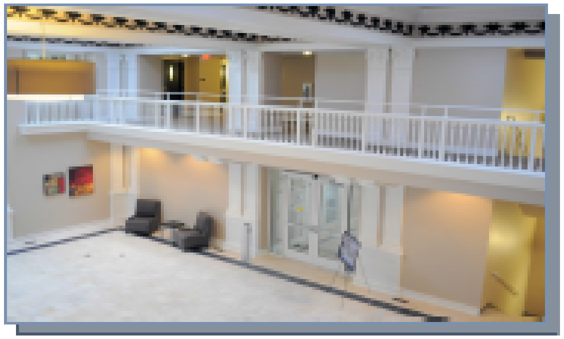
Partnership with TCHP

- Tarrant County Housing Partnership, Inc. will provide financial literacy classes and homeownership classes to the residents, free of charge.

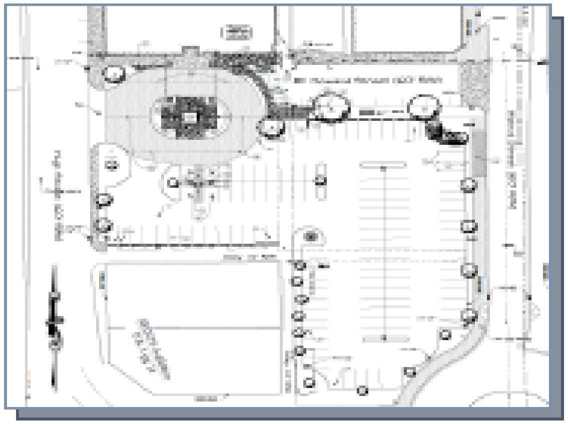
MV RESIDENTIAL DEVELOPMENT LLC

THE LOFTS AT ROBERTS

420 South High Street, Muncie, IN 47305

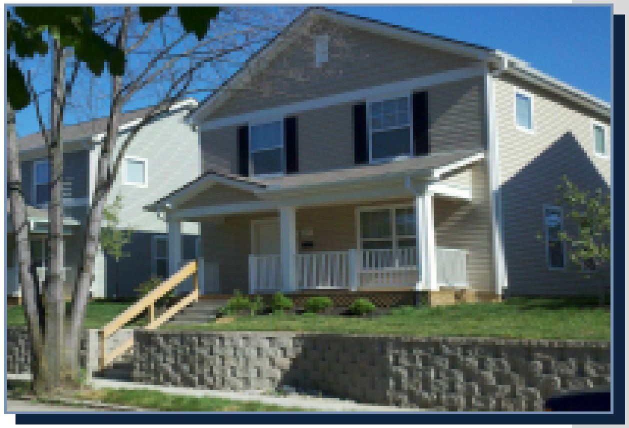


COST	$ 15.6 MILLION
UNITS	83 UNITS 56—1 BD, 704 SQ. FT. 27—2 BD, 946 SQ. FT.
FINANCING SOURCES	9% LIHTC, Historic Tax Credit, IHCDA Development Fund, FHLB AHP, MRC Façade, Delaware County-EDIT, & City of Muncie HOME-EDIT
Building Style	Adaptive Reuse



- Age-restricted development located in Muncie, Indiana.
- Adaptive reuse of the historic Roberts Hotel. This prominent downtown building had functioned as a home for many community functions and visitors.
- Helped implement multiple local plans which target revitalization and redevelopment in downtown Muncie.
- Amenities include community rooms on each floor, state-of-the-art fitness center, computer room, and even an on-site movie theater.
- Floors 2-7 have been converted to apartments.
- First floor combines common area amenities and "white box" space for City to complete & lease out for commercial and service use.

MV RESIDENTIAL DEVELOPMENT LLC



ROOSEVELT HOMES

Scattered Sites In Roosevelt Neighborhood
Dayton, Ohio

COST	$ 9.9 MILLION
UNITS	43 UNITS - 2 Bedroom
PARTNERS	St. Mary Development Corp.
FINANCING SOURCES	9% LIHTC, City of Dayton NSP 2, Ohio Housing Finance Agency NSP 3
STRUCTURE TYPE	Single-family Homes

- Single-family lease-purchase, scattered site urban infill development located in Dayton, Ohio.
- Located around the building housing both the new Dayton Public Schools' Boys Prep Academy and City of Dayton's New Recreation Complex.
- Included in the City of Dayton's New Roosevelt / Westwood revitalization implementation strategy for the neighborhood.
- Designed to replace blighted lots and structures with new housing.

Kenneth Fambro, Vice President

Integrated Real Estate Group

Integrated Real Estate Group

Founded in 2003, Integrated Real Estate Group ("IREG") is a Texas-based, fully integrated real estate development company with services that encompass: construction, development, and property management.

Experienced in promoting developments of mixed-income and affordable communities with public-private partnerships, IREG has blended the use of federal, state and local subsidies with conventional debt and equity to provide quality developments. Other areas of development include senior housing and Class "A" multifamily. IREG has been involved in the development and/or construction of over 50 developments and currently owns and manages over 4,000 units within various communities throughout Texas and Arkansas.

IREG has previous and current partnerships with Fort Worth Housing Finance Corporation, Fort Worth Housing Authority, Harris County Housing Authority, City of Houston Housing and Community Development and Austin Housing Authority. IREG has also partnered with various community focused non-profit entities.

HomeTowne at Tomball- Tomball, TX

Sierra Meadows- Houston, TX

Enclave at Grapevine, Grapevine, TX

ENCLAVE
AT WESTPORT
LUXURY APARTMENT LIVING

- Class “A” multifamily development
- 339 units on 22 acres located near the Alliance Corridor
- Mixed income with specific attention towards reaching the predominate and rapidly growing middle-class workforce

Amenities:
Resort style pool with grilling area
Entertainment lounge with pool table
WiFi in common areas
Fitness center w/ yoga area
Stainless steel appliances
Granite countertops
Wood plank flooring
Track lighting
Walk-in showers
Fenced in yards
Elevator served buildings
Covered parking
Tuck under garage parking
Valet trash service

Total Project Costs: $39,623,500

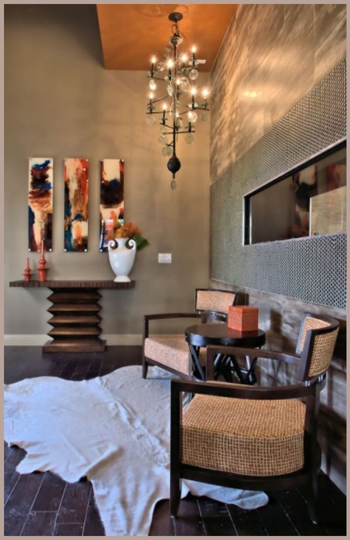
Source of Funds:

- High leverage from construction loan (due to tax exemption)
- Low interest mezzanine loan
- Bridge ownership equity
- Privately raised limited partner equity capital

Deal Structure:

- Partnership between Integrated Real Estate Group and FWHFC to create single asset ownership entity

ACQUISITION SUMMARY:	% of Total	TOTAL
Total Project Costs	**100.0%**	**$ 39,623,500**
Mezzanine Loan	7.57%	$ 3,000,000
LP Ownership Equity	9.44%	$ 3,740,000
Deferred Developer Fee	4.53%	$ 1,794,280
Construction Loan	78.5%	$ 31,089,220
Total Investment	**100.0%**	**$ 39,623,500**



Enclave at Hometown
North Richland Hills, TX

Enclave at Grapevine
Grapevine, TX

Recommendations

Recommendations for public sector officials who want to partner with private developers:

- Find the right partner

What works?

- Mutually beneficial structure that works for both entities
- Flexibility

What doesn't work?

- Excessive restrictions/oversight

Lessons Learned

- Each Deal is Unique
- Take Advantage of Your Tools
  - Local development entities can create opportunities that standard “City to Developer” deals cannot
- Common Goals
  - Find common goals with developer partners

FORT WORTH