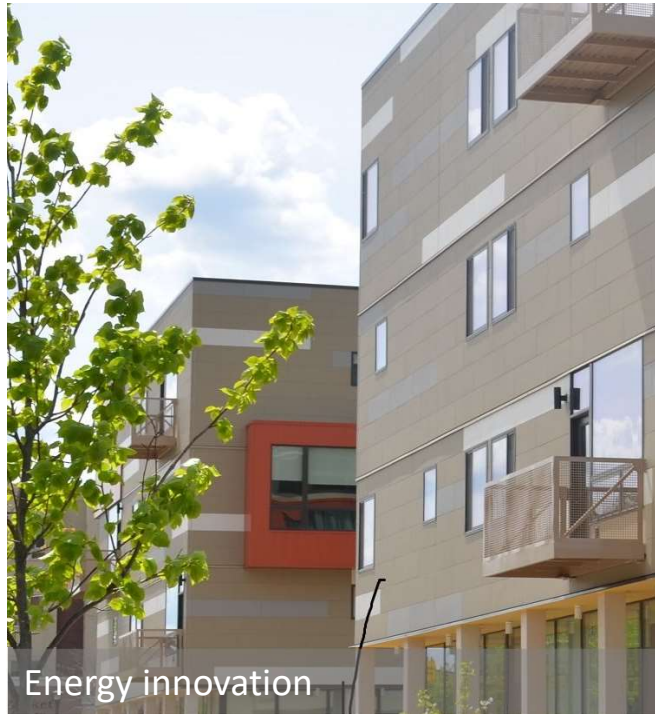




NOAH



Senior



Energy innovation



Family



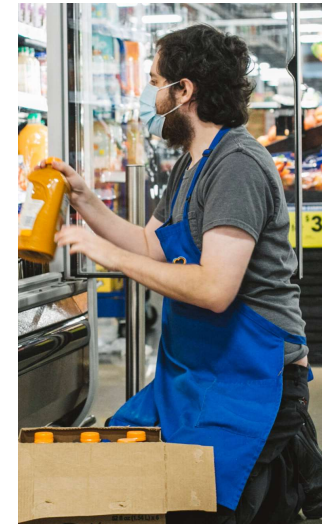
Historic Rehab



New build

ULI Regional Council of Mayors
January 10, 2022





These are our residents

**ULI Regional Council of Mayors
January 10, 2022**





\$18,034 (SSI)



\$33,409



\$67,583



\$50,430



\$41,312



\$25,959



\$40,403₃



\$46,960



\$65,382

These are our residents

30% AMI	50% AMI	60% AMI	80% AMI
------------	------------	------------	------------

Housing = Stability

General

- Emergency room visits reduce by 60%
- Health care costs reduce by 50%
- Highly-nomadic households increase demand on public services and costs
- Homeless people with criminal records were rearrested at double the rate of their counterparts who secured housing

Diversity, Equity, and Inclusion

- Pay inequities for women (0.80:1) and BIPOC (0.53:1) result in greater % of income for housing
- 72% of students facing homelessness are BIPOC
- Children with housing instability are more likely to repeat a grade
- A disproportionate number of NOAH units were sold in moderate income, racially diverse neighborhoods



The costs to our region for health care, employee recruitment, public safety, achievement gaps, and equity are increasing exponentially.

Housing is the upstream stabilizer – its efficient, effective, and more just.

Preservation

Restricted

Rent and income restrictions (PBRV, 811, 202, LURA, LIRC, etc.)

NOAH

Naturally Occurring Affordable Housing

NEW Build

LIHTC - Low Income Tax Credits

HIBs – Housing Infrastructure Bonds



We need *'both-and'*

- **<3% vacancy rate** (all multi-family; HUD2019)
- Affordable demand growing every year
 - NOAH (and restricted) loss - 5,000
 - Build New +1,500
 - Population growth - 1,500 (>1/2 low-income wage earners)
 - Housing need/year - 5,000**
- We need – volume *from all sources*



NOAH Lost and New Built

	NOAH	New (LIHTC/HIBs)
Yearly supply	5,000 lost	1,500 added
Cost/unit	\$150,000+ buy and rehab	\$350,000+ build
Pressure	Upscale investor: market pricing & returns, rehab, & lower rents = GAP	1:10 applications
Timing	60-90 days Public process disconnected	3-5 years Construction price volatility
Resident	<ul style="list-style-type: none"> • Typical at 40-60% AMI pre-sale • >1/2 cost burdened 	<ul style="list-style-type: none"> • LIHTC <30-50% AMI, Special Needs, Preservation (restricted by agreements) • HIBs - <50% or seniors
Bottom line	½ cost, more volume (losing quickly), <u>urgent</u>	Costly, inflexible, long-lead



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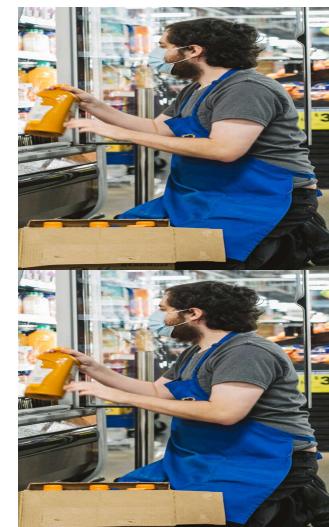
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NOAH by the Numbers (100 units)

		Upscale (\$M)	Preserve (\$M)
Sources	Debt	12.4M	7.5M
	Equity	2.8M	2.4M
	Soft	0	2.5M
	Gap	0	3.6M
	Total Sources	\$15.2M	\$16.0M
Uses	Acquisition	12.0M	12.0M
	Construction/Rehab	2.5M	3.0M
	Transaction / Prof Fees	0.7M	1.0M
	Total Uses	15.2M	\$16.0M
	Avg Mo Rent (1BR)	\$2,623 (100%)	\$1,164 (60%)
	Resident Supports needed	No	Yes



The impact of NOAH loss

Crossroads at Penn

- 2015
- Richfield
- 698 Families
- Economic evictions - 30 - 45 days
- Schools and workforce displaced



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lost



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Call to Action

- Seasons 422 (\$8M gap)
- Minneapolis 220 (\$3M gap)
- Blooming Meadows 306+ (\$6M gap)
- Huntington Place 834 (\$50M+ gap)
- Cobblestone 74 (\$500K gap)



The impact of NOAH loss

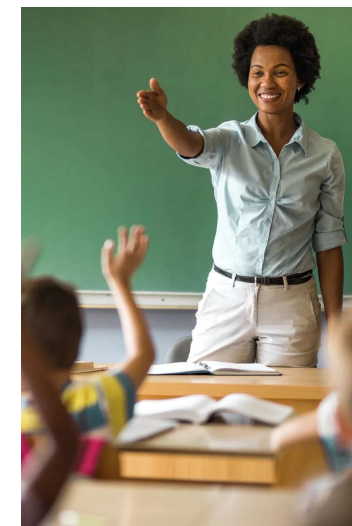
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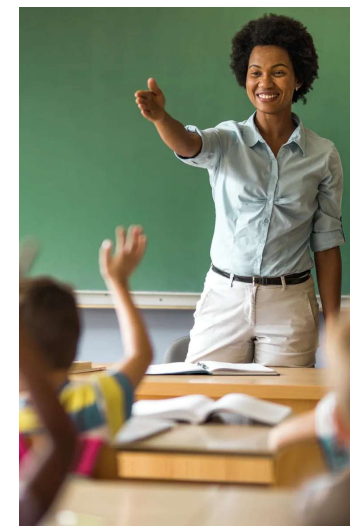
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~\$70M Gap!!!partially sourced....



Call to Action – ‘*both-and*’

Execute locally

and

bring collective voice broadly



Prioritize Real Money

Fed, State, Counties, & *Cities*

- Sufficient volume – *Too. Few. Funds.*
- Nimble, ready capital – pre-approved source
- Flexible – one size fits all, fits none
- Limit conditions – they increase gaps
- Leverage private capital – make public resources go further

Status

- ARPA (Now)
- AHTF (Soon)
- NOAH pool – ask is in to Governor (Soon)



'4D' Property Tax Treatment

(credit for units that are restricted $\leq 60\%$ AMI)

Currently, affordable housing -

- pays property taxes
- Is valued at market rate – even when rents are restricted by agreement
- Has seen a greater % increase in valuation than other property types

Status

- 4D Coalition – legislative fix reducing tax class to 25%
- Nominally impacts state and local budgets
- 2022 session (Soon)
- Goff Public



Bring it Home

\$1B initiative for rental subsidies

- Goal: fund 100% of eligible renters (currently funding only 25%)
- Project based rental subsidies – certainty underwrites new development
- Resident held rental vouchers – helps affordability in NOAH and new



Status:

This year!? (Soon)

\$7B Surplus....frenzy and opportunity



Sarah Harris

Executive Vice President

Strategy, Partnerships, & Production

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