



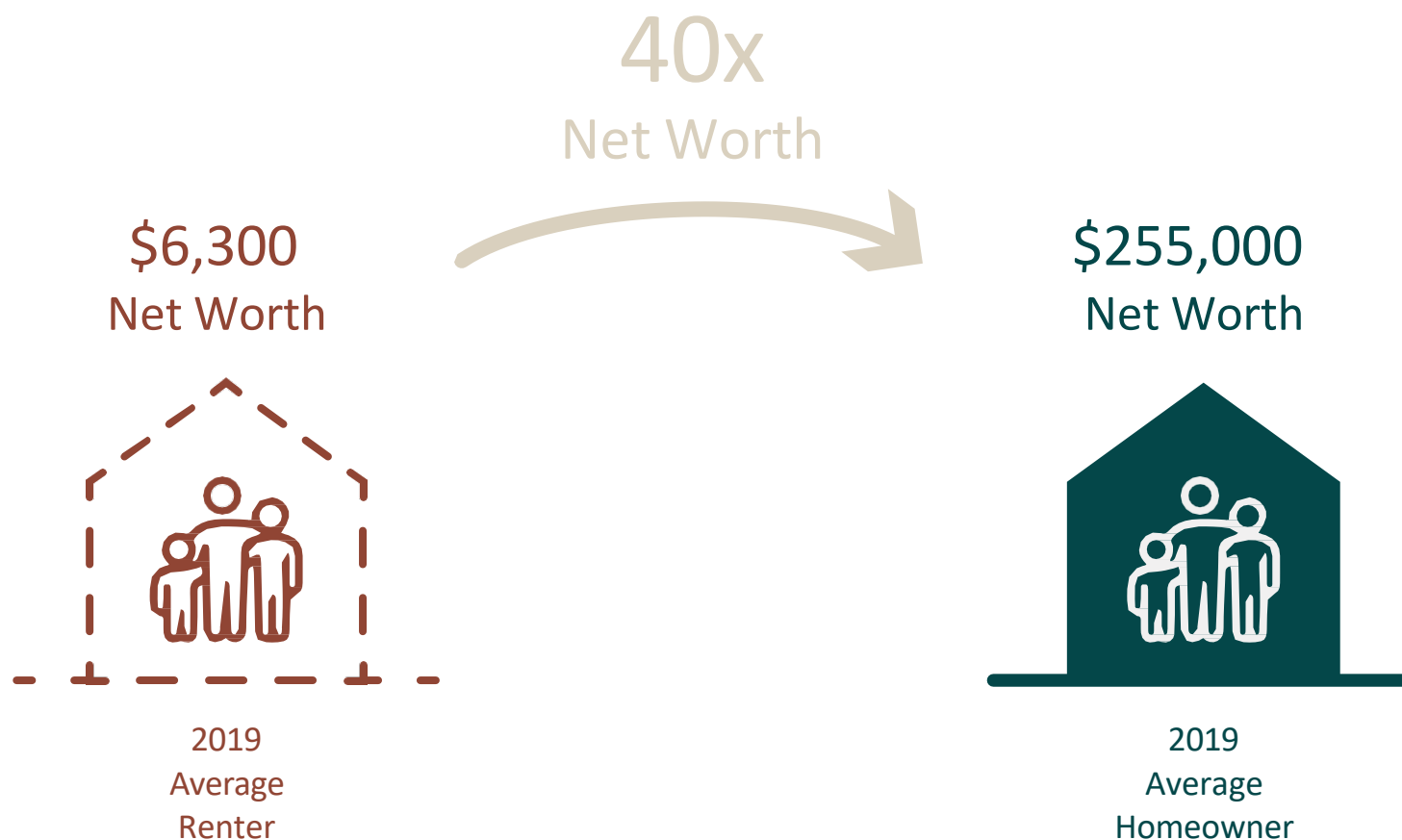
# PERPETUAL HOUSING FUND

Solutions for Utah's Most  
Intractable Housing Problems

August 8, 2023

# The Problem

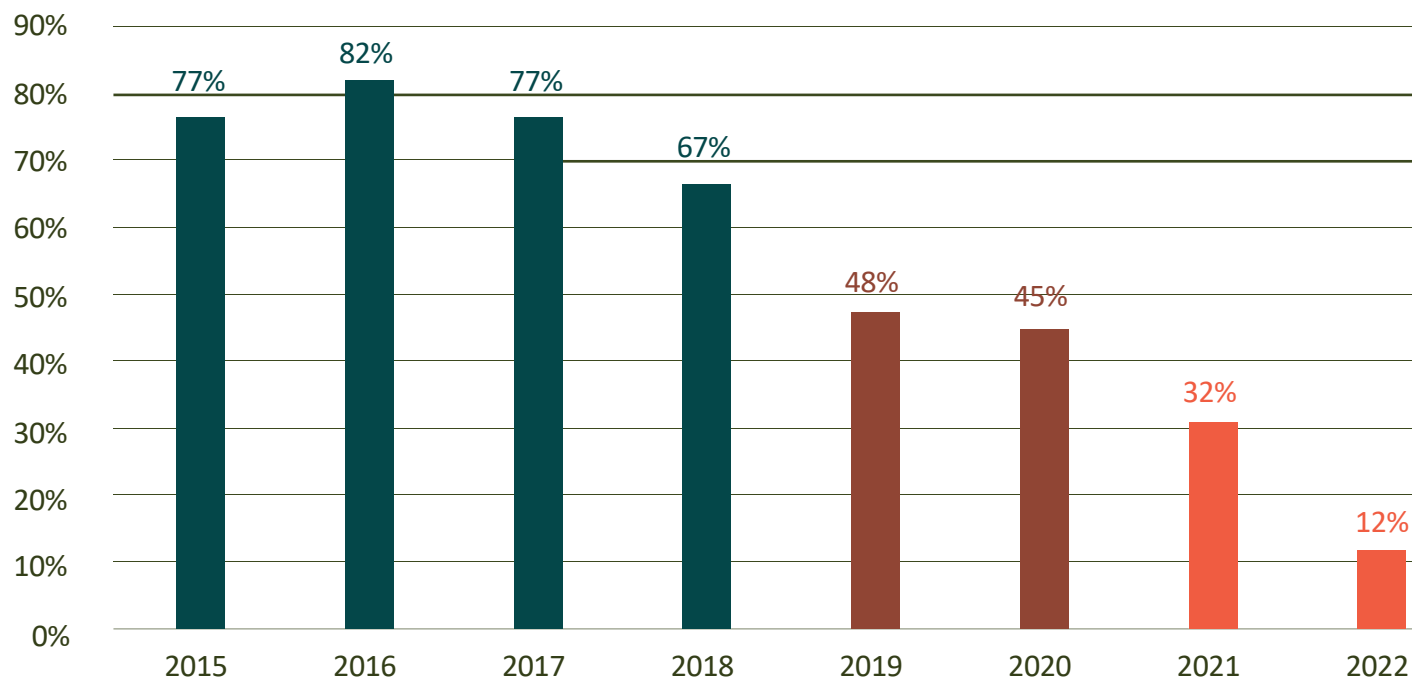
Homeownership is vital to the American Dream.



# The Problem

The opportunity for homeownership is disappearing for the average Utahn.

Percentage of Utah Home Sales  
Affordable to Households Earning Area Median Income\*

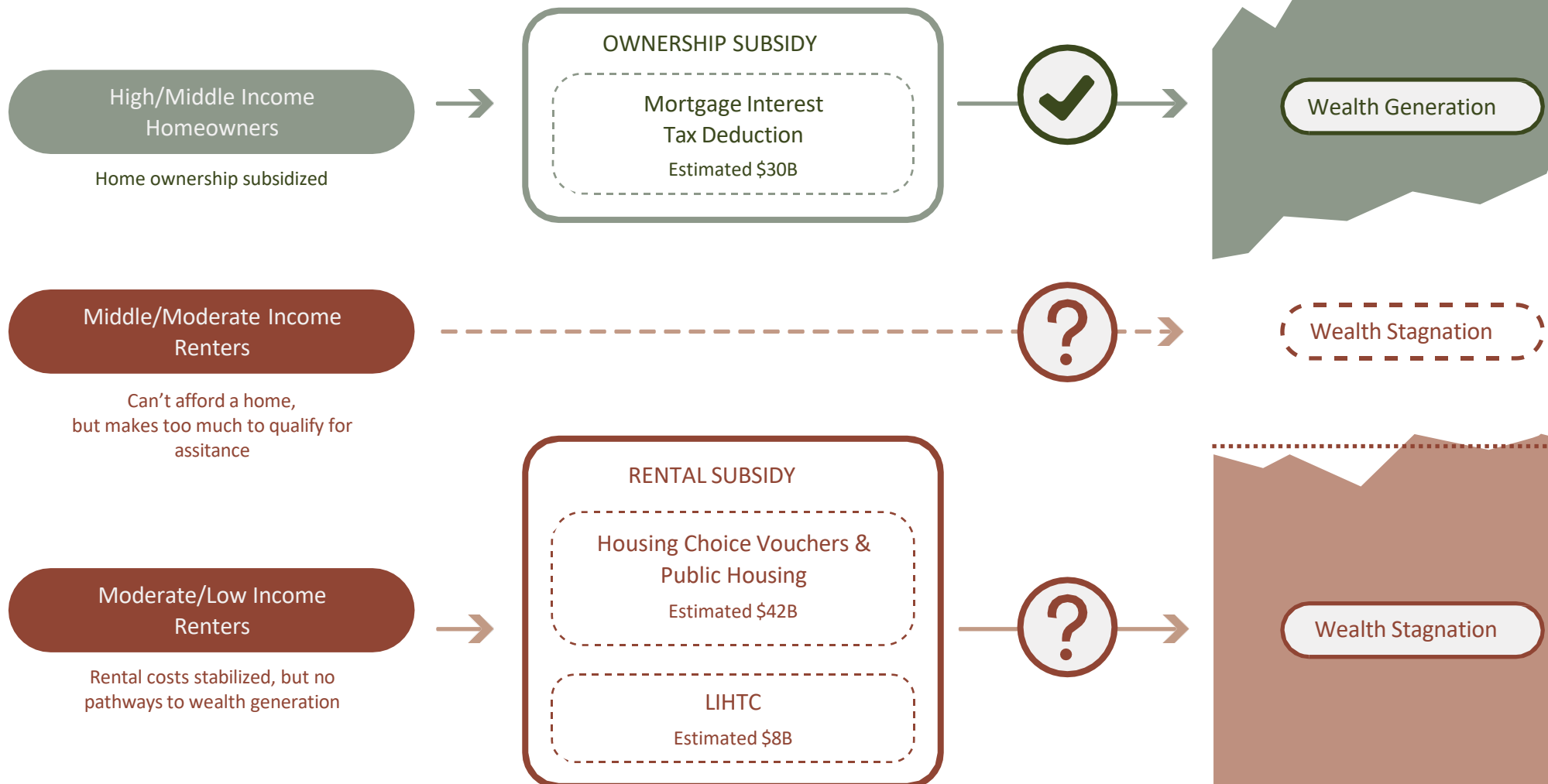


\*Include single family and multifamily. Five percent down payment, prevailing interest rate. Mortgage is 80 percent of payment remaining 20 percent taxes, insurance, and PMI. Ratio of mortgage to income 28%.

Sources: Federal Reserve Economic Data; US Census Data; Utah Multiple Listing Service; Freddie Mac HFA Advantage

# Current State of Utah Housing Market

Traditional ownership opportunities are leaving most Utahns behind.



# Project Open 3



400 N

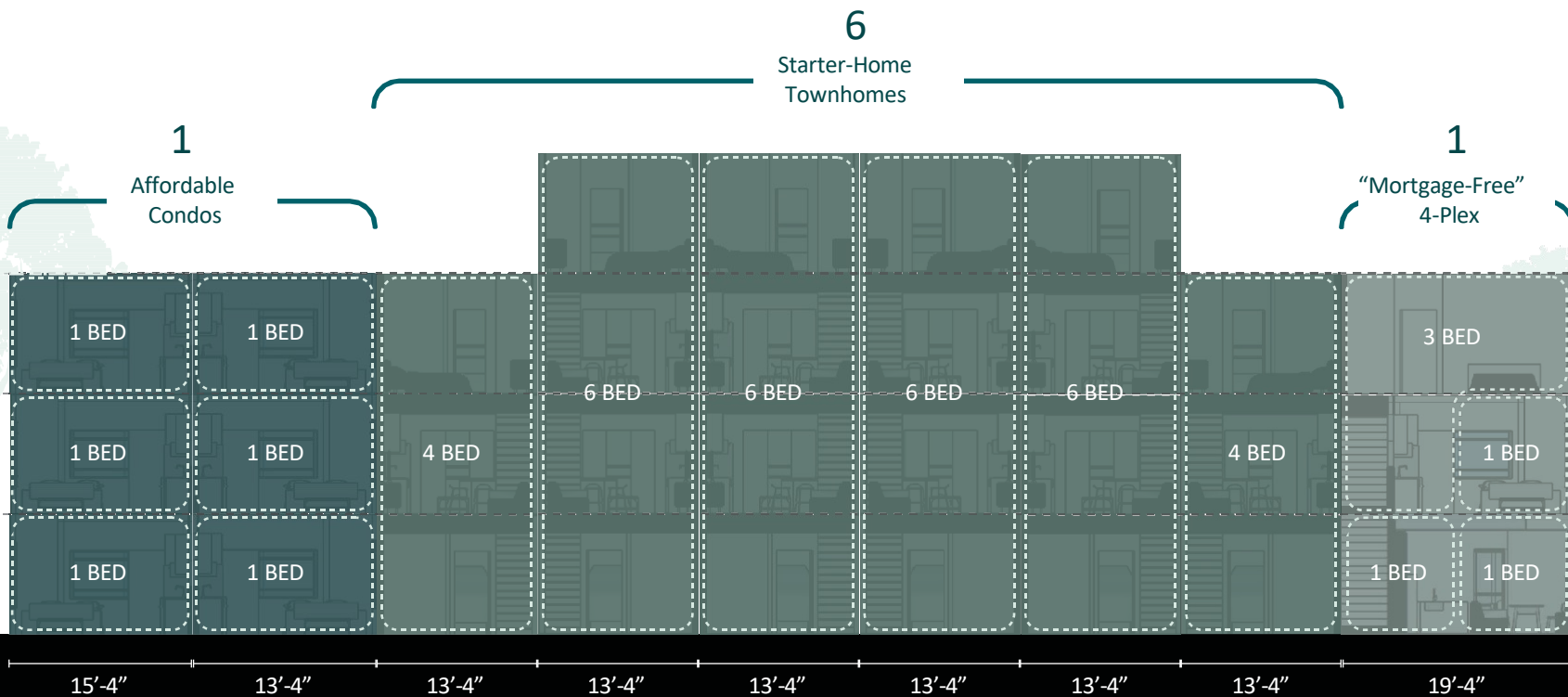
Project Site  
0.3 Acres

500 W

N

# Project Open 3

Replicable affordability options in Salt Lake City's  
Guadalupe neighborhood.





# Project Open 3



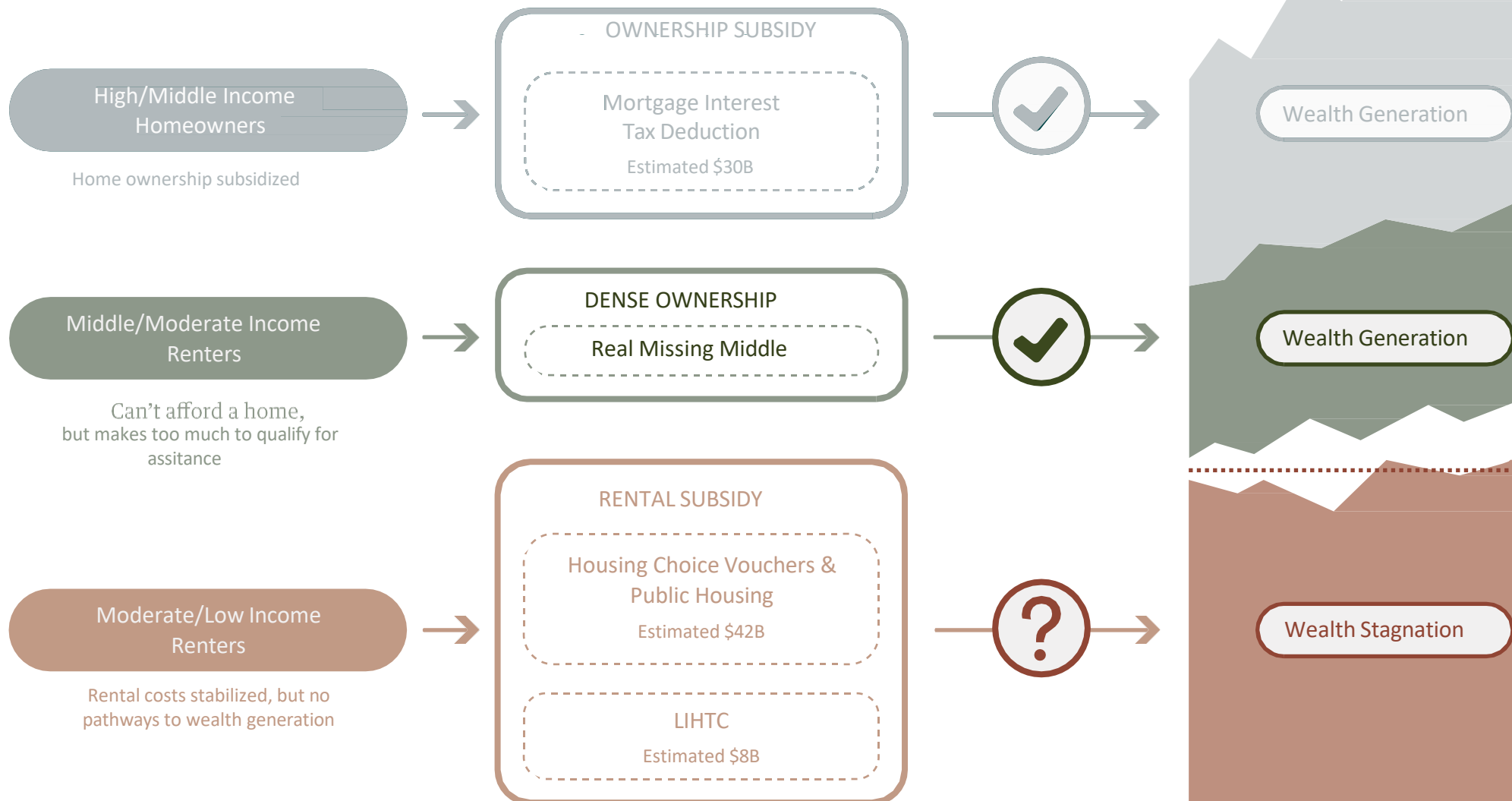
# Project Open 3





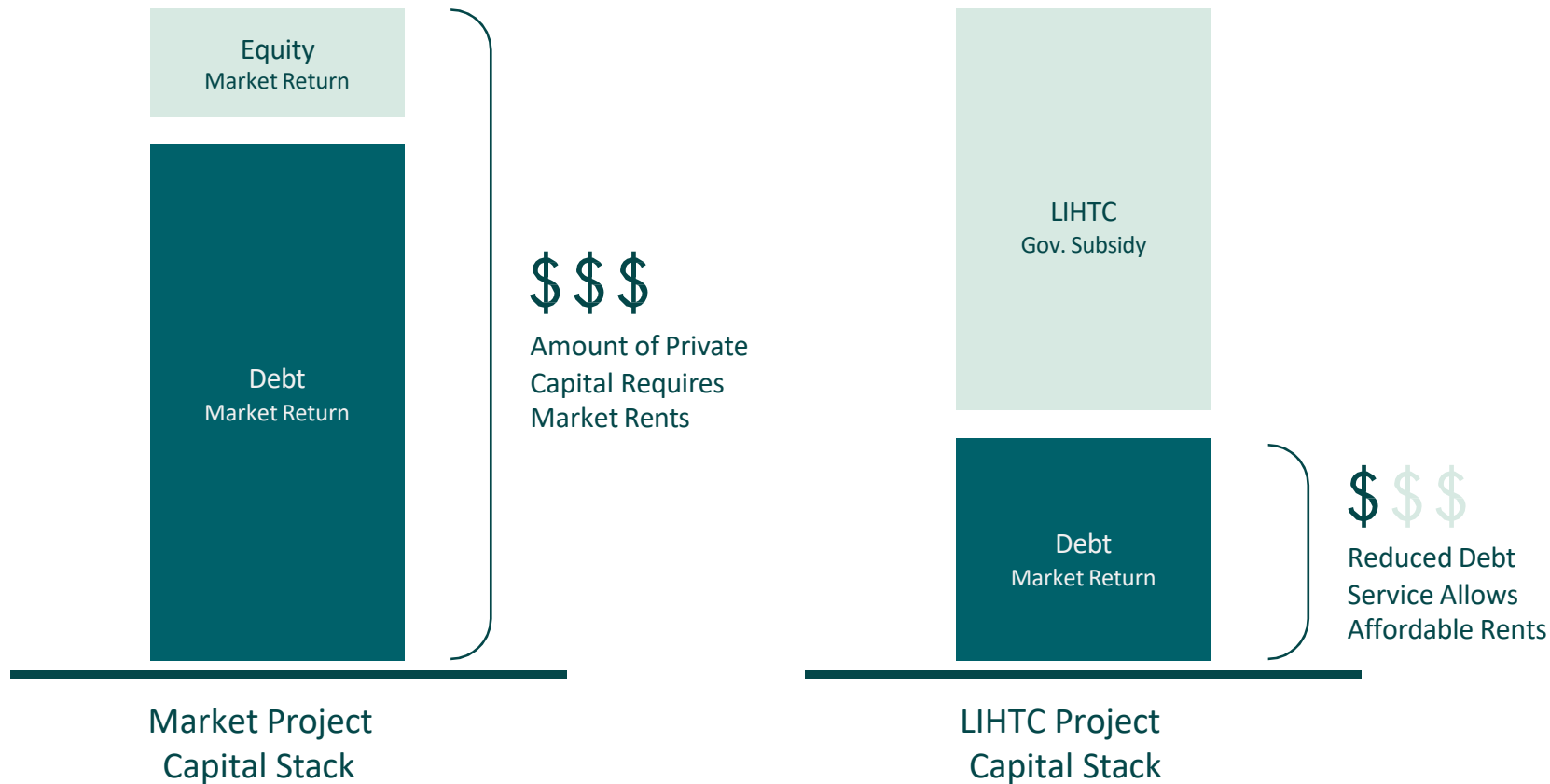
# Potential Utah Housing Market

Shared ownership creates opportunities for more families, but still leaves some behind.



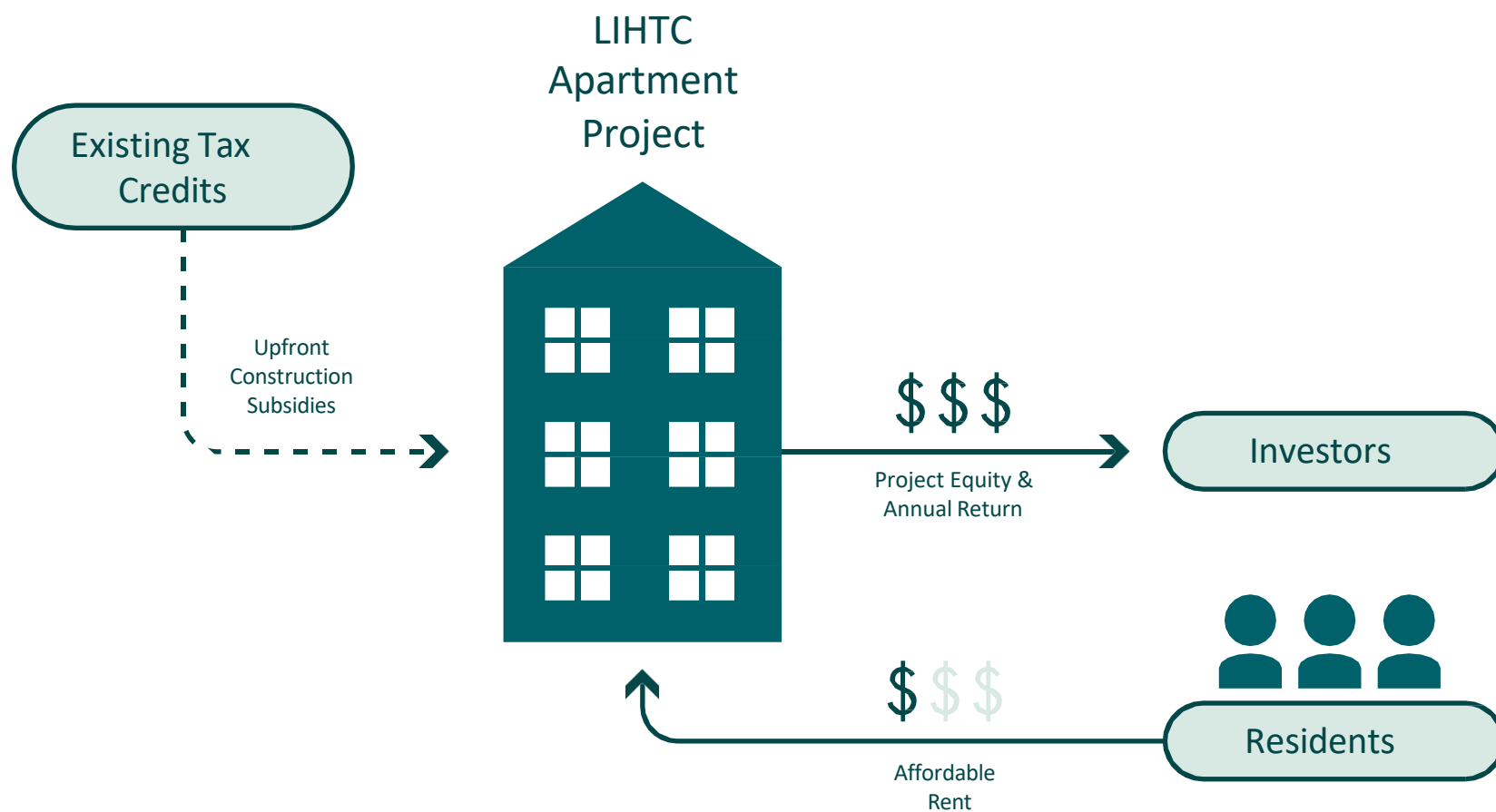
# Affordable Housing - Potential Solution

Low Income Housing Tax Credits (LIHTC), a federal subsidy, can significantly decrease rents for residents.



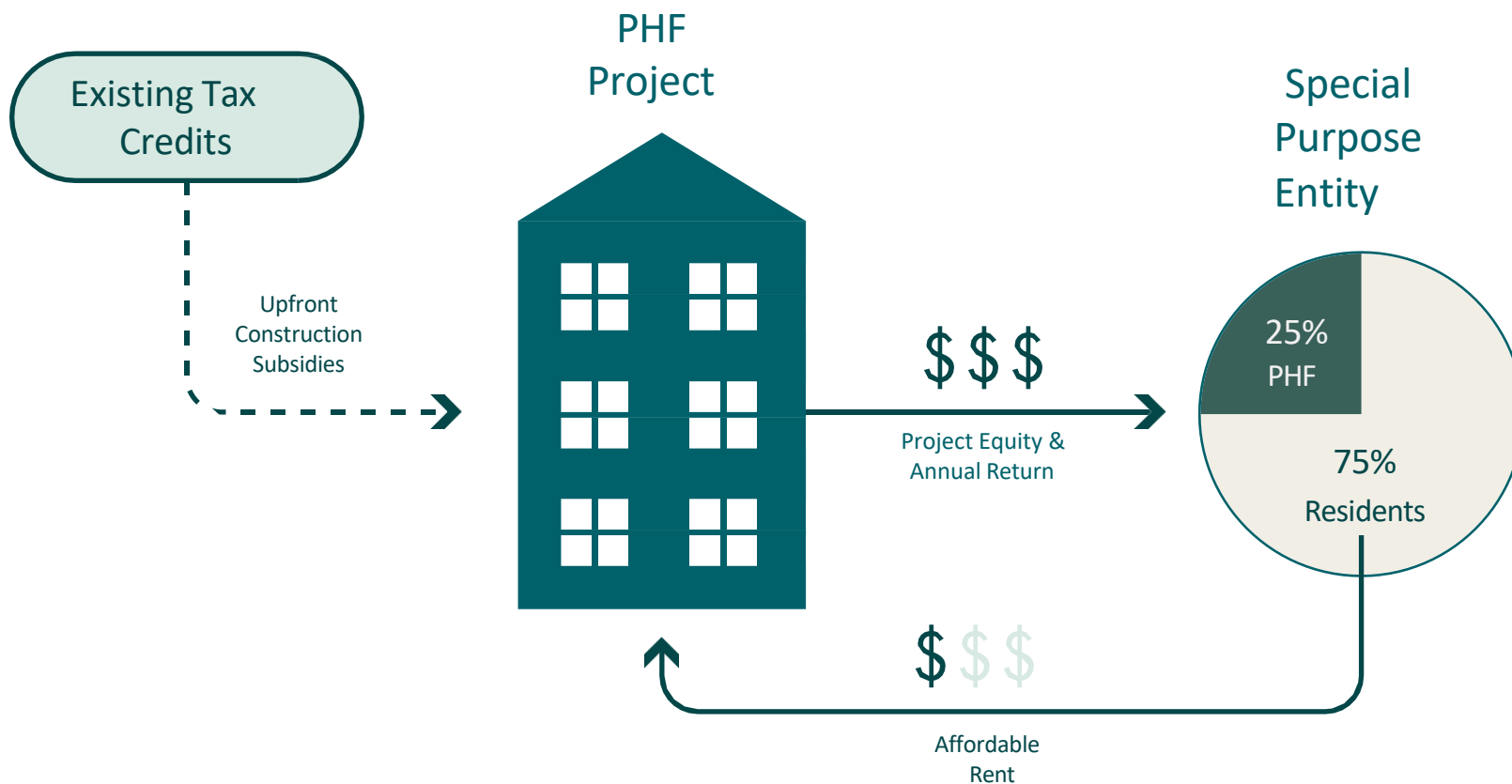
# Affordable Housing - A Missed Opportunity

With LIHTC, residents benefit from affordable rents, but annual returns and wealth generation goes to investors.



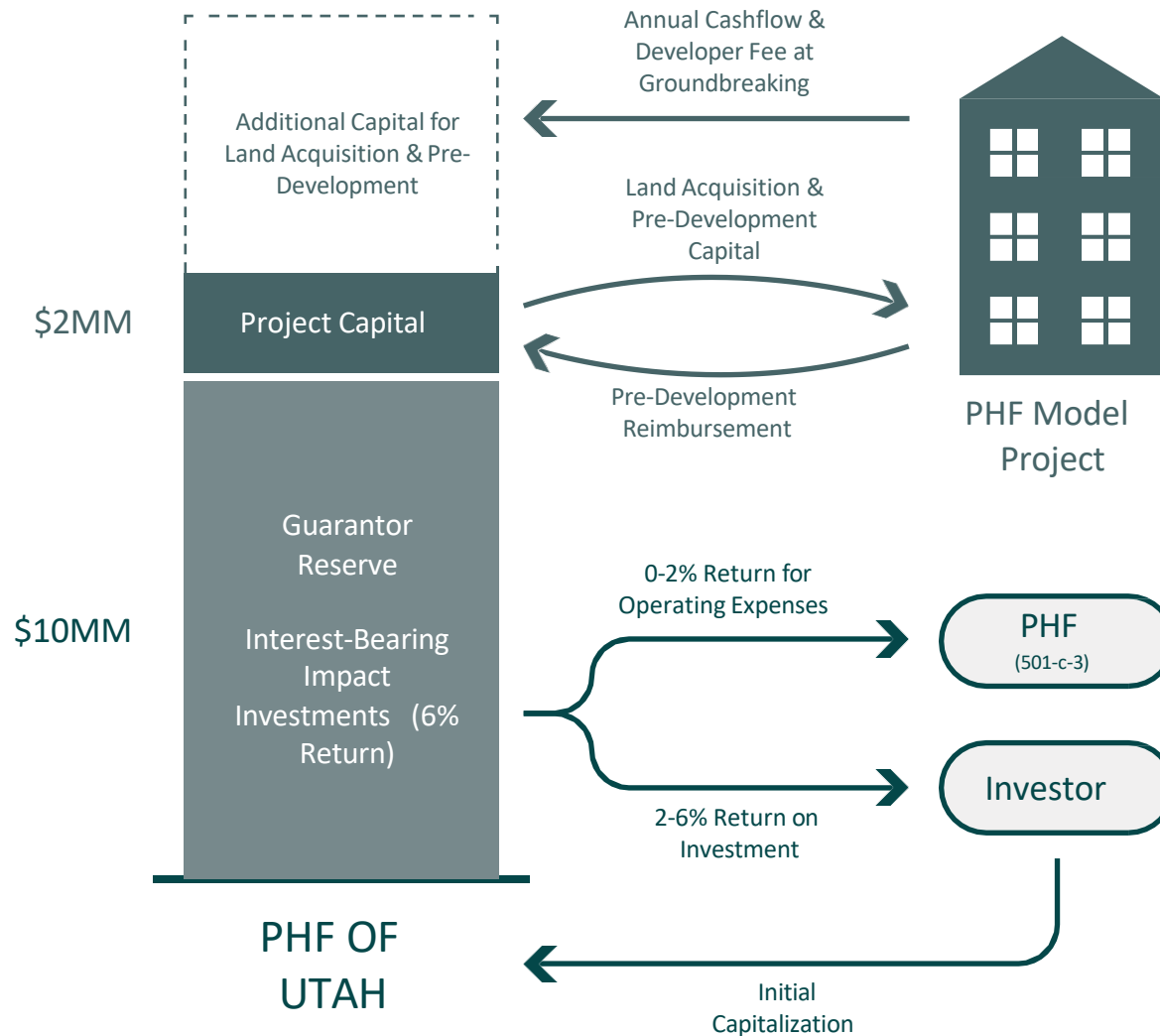
# Our Solution - The Perpetual Housing Fund

PHF pairs existing LIHTC subsidies with shared ownership to benefit building residents.



# Initial Capitalization Utilization

Tax credit equity & construction lenders require \$12MM (2MM liquid) to fund a meaningfully-sized LIHTC vehicle.





# 515 Tower - Phase I





# 515 Tower - Phase I

Inline Addition  
(Phase II)



Impact Office &  
Building  
Amenities



PHF Phase I  
Units



Impact Food &  
Retail



## Phase 1 Unit Mix

	AMI	Units
Studio	25%-65%	25
1 Bedroom	25%-65%	5
3 Bedroom	25%-65%	20
4 Bedroom	25%-65%	10
Total		60

# 515 Tower - Phase I





# 515 Tower - Phase I



# 515 Tower - Phase I





# 515 Phase I - Resident Perspective

## SPE Pro Forma Year 1

Rents + Additional Income	\$700,999
Less Op Expenses + Capital Reserve	(\$300,179)
Net Operating Income	\$400,820
Less Debt Service	(\$349,809)
<b>Net Cash Flow</b>	<b>\$51,011</b>

\$11,683

Annual Rent  
Per Resident

\$38,259

75% to Residents

## SPE Value + Equity Upon Stabilization

Asset Value	\$8,907,121
Owner's Equity	\$3,211,888

\$2,408,916

75% to Residents

## Developer Fee Contribution

Dev. Fee Deferred to Project	\$250,000
Funding Resident HELOC Vehicle	\$500,000

\$750,000

To Project/  
Resident Benefit



Resident

YEAR 1  
CASHFLOW  
SHARE\*\*

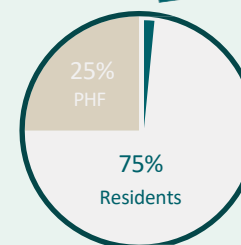
\$638

1/60 Share  
per person

EQUITY SHARE AT  
STABILIZATION

\$40,149\*

1/60 Share  
per person



Special Purpose  
Entity

\*Asset appreciation will be distributed upon events such as a refinance event or sale of building. Tenants will also have the ability to "draw" on their equity for "allowed events" in a vehicle similar to a HELOC (funded and run by the PHF).

\*\*Cashflow Share will be distributed as rent rebates to the extent that LIHTC rules allow.

# 515 Phase I - Developer Perspective

## SPE Pro Forma Year 1

Rents + Additional Income	\$700,999
Less Op Expenses + Capital Reserve	(\$300,179)
Net Operating Income	\$400,820
Less Debt Service	(\$349,809)
Net Cash Flow	\$51,011



## SPE Value + Equity Upon Stabilization

Asset Value	\$8,907,121
Owner's Equity	\$3,211,888



## Developer Fee Contribution

Dev. Fee Upon Groundbreaking	\$500,000
Dev. Fee Upon Stabilization	\$500,000



Develops and  
Manages Project

YEAR 1  
CASHFLOW  
SHARE

**\$12,752**  
(25% Share)

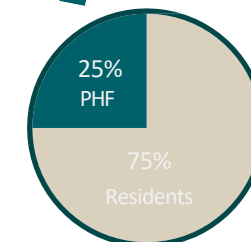
EQUITY SHARE AT  
STABILIZATION

**\$802,972**  
(25% Share)

DEVELOPER FEE

**\$1,000,000**  
(100% to PHF)

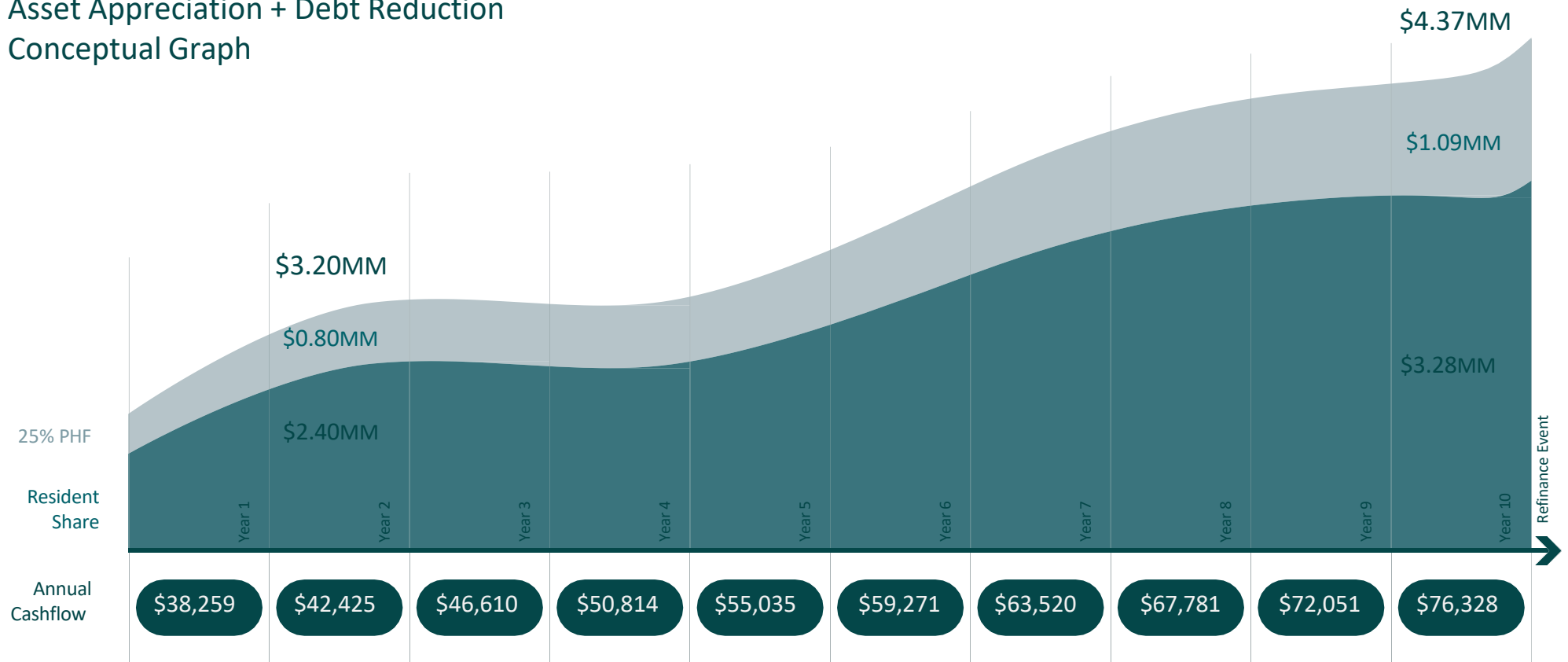
Forms SPE + Retains  
25% Ownership  
and Control



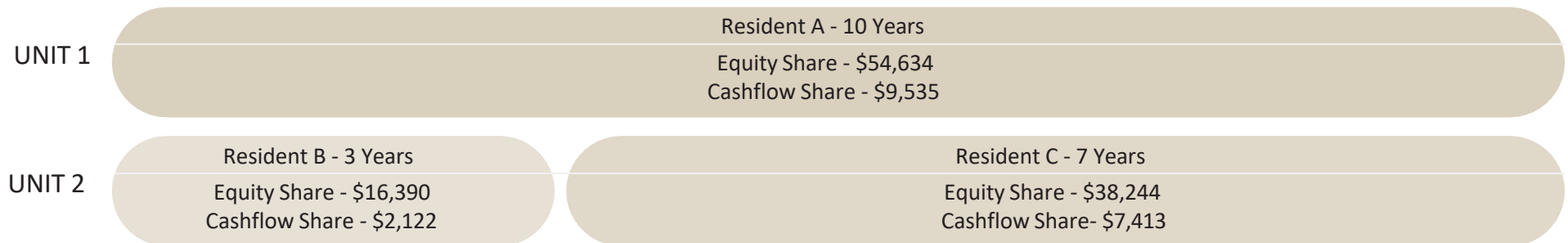
Special  
Purpose  
Entity

# 515 Phase I - How Shared Ownership Works

## Asset Appreciation + Debt Reduction Conceptual Graph

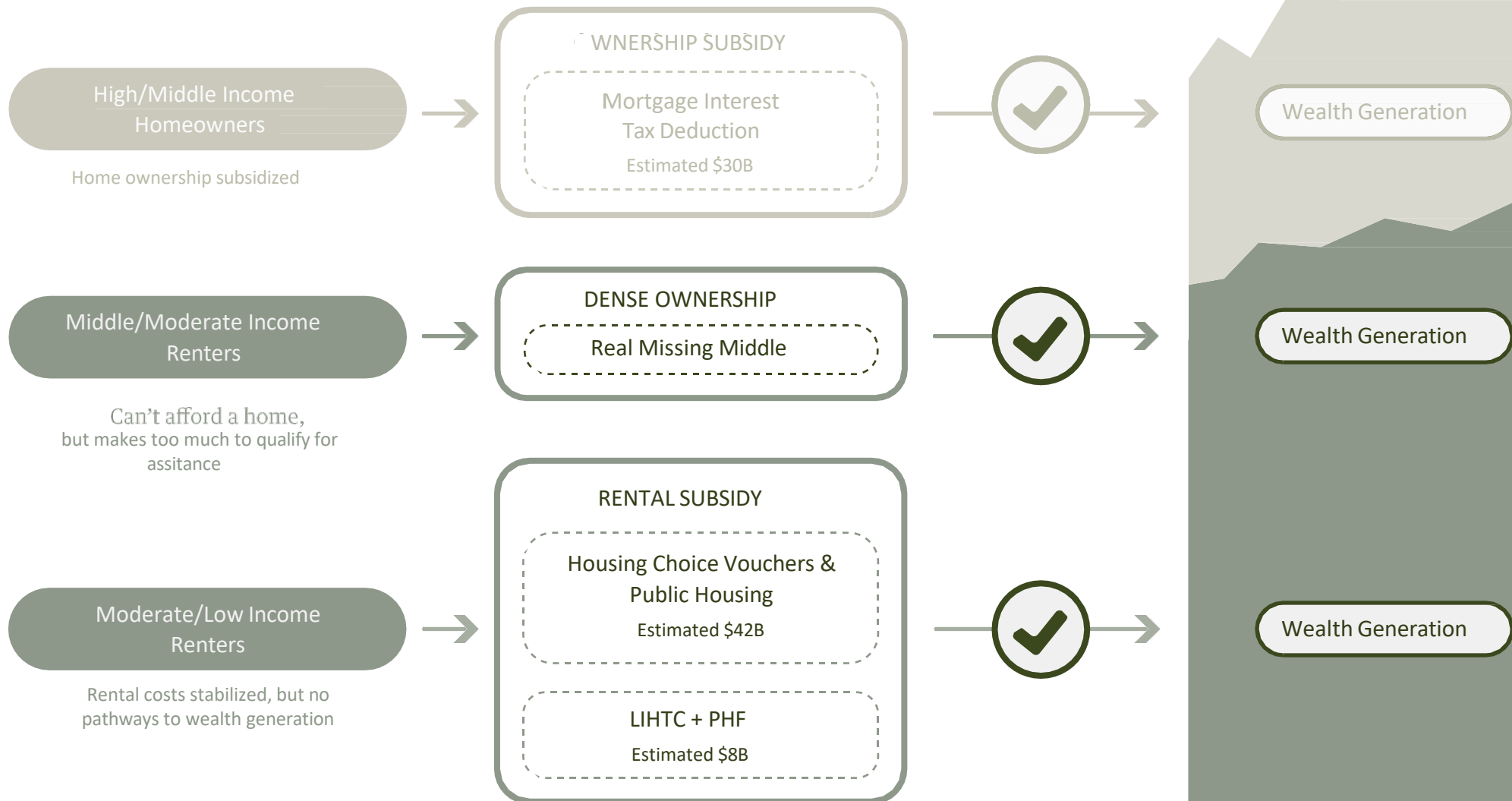


## Example Resident Dividend



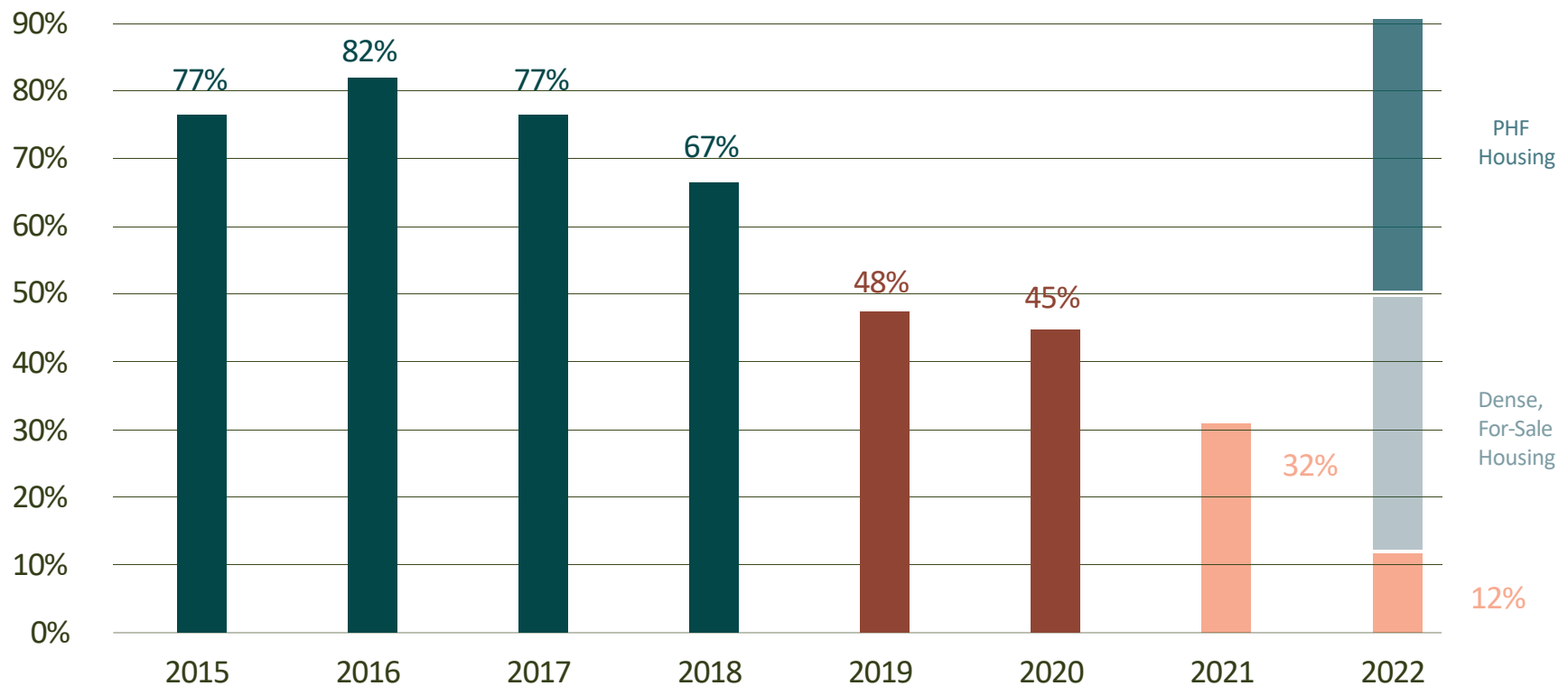
# Potential Utah Housing Market

The PHF will use this model to provide ownership opportunities to low income households.



# Together We Can Change The Narrative

Percentage of Utah Home Sales  
Affordable to Households Earning Area Median Income







PERPETUAL  
HOUSING  
FUND





# PERPETUAL HOUSING FUND

Rendering Appendix  
Project Open 3



# Project Open 3



# Project Open 3





# Project Open 3



# Project Open 3





# Project Open 3



# Project Open 3

