



# ROSEVIEW

— AFFORDABLE HOUSING FUND —

Investment Program Overview

February 2018

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## Real Estate Investment Management



Institutional investment fund launched in 2011.

Investment strategy focused on value-add acquisitions of multifamily (workforce housing) and office properties.



Institutional co-mingled investment fund closed in Q4 2016.

Investment strategy focused on acquisitions of stabilized affordable housing properties that were financed with Low Income Housing Tax Credits.

## Real Estate Advisory

### Investment Banking

Practice launched in 2001.

FINRA-registered Broker/Dealer, specializes in raising programmatic capital for “emerging” real estate investment managers and operators.

### Bank Advisory

Practice launched in 2008.

Specializes in advising both national and regional banks across the full spectrum of their owned real estate assets, with a focus on complex re-entitlement and re-purposing of retail branch banks.

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## Market Rate Investment Experience

- Roseview's CEO was formerly the Chief Investment Officer of General Investment and Development Company, one of the largest market-rate multifamily pension fund advisors in the US.
- In 2011, Roseview sponsored The Roseview Evergreen Fund, a fully discretionary investment relationship with a large US corporate Pension Fund.
  - The Evergreen Fund was established to pursue valued-added acquisitions of workforce housing in gateway markets across the country.
  - To date, the Fund has acquired 2,000 workforce housing units across the US.

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## Affordable Housing Experience

- Most recently prior to forming Roseview in 2001, Roseview's CEO was the President and COO of Boston Financial, which at the time was one of the largest and most successful investors in LIHTC housing in the nation.
- Roseview's investment team has recently asset managed a portfolio of 90 LIHTC properties consisting of over 9,000 units across the Southeast United States, bringing an institutional level of underwriting, analysis and execution in both an asset management and disposition management role.
- The Roseview team is also experienced in project financing and re-financing, rehab, asset management and asset sales from our investment and advisory work over the last 15+ years.

## Investment Strategy

The Roseview Affordable Housing Fund (the “Fund”) is seeking to acquire non-controlling interests in the General Partners (“GPs”) of later-stage LIHTC properties, offering the beneficial owners of those GPs a unique opportunity to realize substantial liquidity years in advance of the expiration of the compliance period while still retaining control.

The Fund investment strategy is disciplined but flexible, providing an operator with two alternative acquisition approaches:

1. Direct investment into the GP of an existing LIHTC deal that is already owned by the General Partner.
2. As part of a fee-simple LIHTC acquisition that the General Partner is pursuing.

Generally, the Fund is seeking to acquire:

1. Existing mature deals (no new development) in which a minimum of 80% of the units are subsidized through either LIHTC or other qualifies subsidies. (For example, Section 8).
2. Typical deals will be between years eight and twelve into the initial fifteen-year compliance period.
3. Properties having at least 100 units.
4. Assets where the long-term business plan is to remain affordable through a re-syndication (no Qualified Contract execution during the Fund’s investment period).

## The Fund's Goals:

- Focus on the eastern half of the US from Maine to Florida and Illinois in order to fulfill our Investors CRA requirements.
- Structure transactions where we are side by side partners with total alignment of interests.
- Receive post-closing approximately a 5% cash on cash return on our investment with any return in excess of the current yield coming at exit.
- Establish mutually fair governance provisions given Fund's minority position with respect to:
  - Related party contracts
  - New financing or long term liens
  - Mutually agreed exit or redemption strategy

## Benefits for Developers

By selling to Roseview a non-controlling interest in the General Partner of an existing Partnership, a developer can increase the capital they have available for:

- Capital required for new affordable housing developments
- Additional reserves or capital expenditures required prior to a re-syndication
- Reducing or paying off above-market debt
- Acquisition of the related Limited Partner interests
- Existing partner buyouts
- And even new investments they seek to make outside of their affordable housing line of business.

In all of the above cases, the Operating Partner will remain in control and receive 100% of related property management fees.