



RAD/LIHTC Transaction Case Study: Meriwether Homes Phase I, Griffin HA

- Pennrose Properties and Griffin Housing Authority, Georgia
- Demolition of 120 public housing units
- First of 3 new phases of master-planned project
- 9% LIHTC awards in 2013, 2015, and 2016
- 84 units of family housing
 - 42 units at 50% AMI with RAD
 - 42 units at 60% AMI
- Won 2016 Charles L. Edson Tax Credit Excellence Award in Public Housing category
- Recently received CHAP for Phase II to convert ACC to RAD
- Will apply for Phase III once DOFA issued

Meriwether Homes Phase I, Griffin HA - Before



Oaks at Park Pointe, Griffin HA - After



Oaks at Park Pointe Sources & Uses

Development Uses

Acquisition, Loan Payoff, & Related Costs	\$	-
Pre-development & Soft Costs	\$	762,109
Development Fee & Reserves	\$	2,250,000
Construction Costs	\$	10,427,168
Finance, Insurance, & Legal	\$	401,740
TOTAL DEVELOPMENT BUDGET	\$	13,841,017

Sources of Development Financing

9% LIHTCs	\$	11,400,000
Ga Dept of Community Affairs HOME Loan	\$	1,800,000
FHLBA AHP Loan	\$	500,000
Deferred Developer Fee	\$	141,017
TOTAL DEVELOPMENT SOURCES	\$	13,841,017



Tips for Successful LIHTC/RAD Conversions

- **Prepare a feasible “Plan B” if 9% LIHTCs not awarded, long before awards are announced**
- **Start Part 58 Environmental Review process early**
- **Submit FHEO requests early**
- **Submit RAD Financing Plan soon after 4% LIHTC app submitted – don’t wait for LIHTC allocation**
- **Prepare HUD closing docs prior to RCC issuance**
- **Push for drafts of LPA and loan docs ASAP**
- **Communicate with investor, lender, and HFA early re: Subordination to RAD Use Agreement**



Case Study: Existing Mixed Finance Transaction

Janie's Garden Ph I, Sarasota, FL

- Joint venture with Sarasota Housing Authority and Michaels Development Company
- Existing mixed-finance property built in 2007 with 9% LIHTCs
- 86 units in total; 26 public housing units
- Mix of 1, 2, 3, & 4-bedroom units
- Well-maintained and in good condition
- 1st of 3 phases of the master-planned development
- Phases I and II have converted to RAD, Phase III has a CHAP

Janie's Garden Phase I



Janie's Garden Phase I Development Sources/Uses

Development Uses

Title & Recording	\$	5,000
Pre-development & Soft Costs	\$	-
Development Fee & Reserves	\$	327,935
Rehabilitation Costs	\$	19,051
Legal	\$	15,000
TOTAL DEVELOPMENT BUDGET	\$	366,986

Sources of Development Financing

Property Operating Reserve	\$	213,676
Capital Funds	\$	-
Property Affordability Reserve	\$	64,722
Property Reserves for Replacement	\$	88,588
TOTAL DEVELOPMENT SOURCES	\$	366,986

Tips for Converting Existing Mixed-Finance Properties to RAD

- Undertake thorough review and likely multiple iterations of CNA e-Tool
- Review HUD's Underwriting Considerations for Existing Mixed Finance Properties
- Consider all possible property reserves for sources of funds in RAD development budget
- Discuss possibility of RAD conversion early, investor, lenders, and HFA
- Discuss eliminating Affordability Reserve with investor and use towards RAD development budget
- Determine how the additional rental income will be distributed in the cash flow waterfall

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