

National Housing & Rehabilitation Association

Spring Developers Forum

May 6-7, 2019 ♦ Marina del Rey, CA





CPP PLATFORM



Mission

Founded in 2004 to recapitalize, rehabilitate and preserve aging affordable housing portfolios.

Specialization

CPP Specializes in HUD Section 8 Housing, Rural Development, communities previously funded with tax credits, mixed use, mixed income, and multifamily housing communities.

Who We Are

CPP is wholly owned by WNC & Associates, Inc., an innovator in tax credit equity and multi family investment communities across the nation.

CPP NATIONAL PRESENCE



CEDARWOOD TOWERS



BASIC PROPERTY FACTS

- 206 Units
- Rochester, NY
- Original 236 deal with a LIHPRA Plan of Action through 2045
- Tax Credit Compliance Period – Ended 2017

CEDARWOOD SOURCES/USES



	Perm S&U	Interim S&U
Sources and Uses of Funds		
Debt:		
Permanent Loan	26,400,000	-
Construction Loan	-	-
Interim Loan	-	8,450,000
Seller Equity/ Funds	-	-
Deferred Developer Fee	1,686,727	-
Project:		
Free Cash flow Through Construction Period	181,894	-
Capitalized Interest (Interim & Construction)	2,361,952	-
Equity:		
Tax Credit Equity @ \$0.9	10,199,256	-
Other / Overage/ Repayment of Costs	-	-
Developer Equity (additional Deferred Fee)	-	5,129,424
Net Operating Income (interim period)	646,513	-
TOTAL SOURCES	41,476,343	13,579,424
Property Acquisition	13,000,000	13,000,000
Interim Interest	242,098	-
Renovation Costs	14,564,180	-
Indirect Costs:		
Third Party Reports	282,400	-
Financing Placement	2,182,883	169,000
Capitalized Interest (Interim & Construction)	2,361,952	-
Accounting	15,000	-
Legal & Organizational	336,293	-
Relocation Allowance	309,000	-
Initial Deposits to Reserves	3,652,000	-
Tax Credit Reservation Fees	35,497	-
Other Fees and Costs	585,460	410,424
Developer Fee	3,909,579	-
TOTAL USES	41,476,343	13,579,424

CEDARWOOD – UNIQUE ASPECTS



UNIQUE ASPECTS OF DEAL

- Strict Closing Timeframe with Seller – Bridge Closing
- Local IDA Bond Issuance Timing
- LIPHRA Process
- In Place PILOT that terminated upon sale

FINANCING STRATEGY



FREDDIE BRIDGE/TEL PROGRAM

- \$8,450,000 Bridge Loan
- \$26,400,000 Tax-Exempt Bond Loan
- Bridge closing in 75 days, Tax Credit closing 180 days later
- 4.94% interest rate locked in June 2018

FINANCING STRATEGY



WHY FREDDIE BRIDGE/TEL?

- Preapproval on Future Rents
- Forward lock Tax Exempt Interest Rate at Acq Closing
- Related Party Transaction – Tax Implications – Asset purchase
- Climbing Interest Rate Environment