CohnReznick
ADVISORY • ASSURANCE • TAX

AFFORDABLE HOUSING QUALIFICATIONS

FOUNDATIONAL INSIGHT. IMMERSIVE SOLUTIONS. COMMUNITY CONNECTED.

CohnReznick LLP

A member of Nexia International

CohnReznick is an independent member of Nexia International

THE AFFORDABLE HOUSING LEADER

Foundational Insight. Immersive Solutions. Community Connected.

There at the inception of LIHTC and on through today's evolving needs and challenges, CohnReznick has the nation's most experienced, well-versed and well-connected team in the nation. Through our foundational experience, we know where challenges exist and how to overcome them, how to keep your business running smoothly and, we help to lead advocacy for affordable housing in America. Our practice of more than 75 dedicated partners and 600 professionals:

- Serve developers, syndicators, investors, public entities (PHAs, FHAs, HUD, and more)
- Work with more than 1,000 developers and 150-plus not-for-profit developers annually including (nearly half of the top 50 owners and 15 of the top developers in the U.S.).
- Provide assurance for more than 17,500 audits and 21,000 returns annually.
- Work with 50 public housing authorities annually.
- Work with 75% of the nation's affordable housing investors and syndicators while authoring original reporting, pricing analysis, and metrics for operational and performance trends.
- Maintain a presence on Capitol Hill through our Governmental Affairs office, shaping policy and ensuring housing is top of mind for legislators.
- Established and engaged in 70+ numerous state coalition and national organizations.
- Specialized, related services for not-for-profits, disaster and emergency preparedness, public entities, technology, cyber security, **valuation and market studies**.

Pre-construction

- Deal structuring and projections
- Financing and incentive opportunities
- HUD 2530 clearance
- Credit applications

Construction

- Cost certifications
- Lease testing
- HUD reporting
- Break-even analysis

Ongoing operations

- Financial statement audits
- Annual tax returns
- Debt restructuring
- Refinancing

Exit strategy (15+ years)

- Exit tax analysis
- Right of first refusal
- Re-syndication
- Buyer network

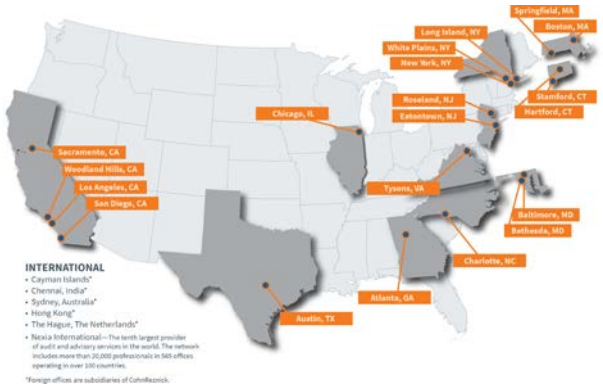
LIHTC MARKET STUDIES, APPRAISAL & FRACTIONAL INTEREST VALUATIONS

Savvy developers and investors need the right information to make data-driven decisions. Leverage the nation's most comprehensive housing data and analysis of its kind to move your strategy forward. CohnReznick's Market Study, Appraisal & Fractional Interest Valuation team provides the region-specific insight and intricate analysis required to determine if a property is a suitable investment and positioned to meet your business goals.

- Analysis of LIHTC comparables for vacancy rates, amenity packages, and market rates
- Critical insight into absorption rates, capture rates, and stabilized occupancy
- Region-specific expertise appropriately evaluating affordable housing & market rate properties
- Investigation into the potential impact on existing affordable developments
- Market participant interviews to extrapolate the local-lens perspective
- Advice on the compliance requirements of HUD Section 8 Rent Comparability Studies (RCS), viability, and contract renewal

TRANSACTIONS AND STRATEGIC ADVISORY	RESTRUCTURING AND LITIGATION	TAX AND FINANCIAL REPORTING
• Transaction planning • Buy/sell agreements • Reasonableness opinions • Succession planning • Market analysis and feasibility studies • Development projects/ easement acquisitions • Utility and right-of-way corridors • Asset-based lending	• Bankruptcy and distress • Shareholder disputes • Eminent domain/impact studies • Personal property tax appraisals • Insurable values	• Purchase price allocation (IRC 1060 and ASC 805) • Impairment testing (ASC 350 and ASC 360) • Stock-based compensation (IRC 409A and ASC 718) • Portfolio valuation • Complex securities • Restructuring and reorganization • Gift and estate • Charitable contributions

Andrew Lines, MAI
Principal, Valuation Advisory Services
312.508.5892
andrew.lines@cohnreznick.com

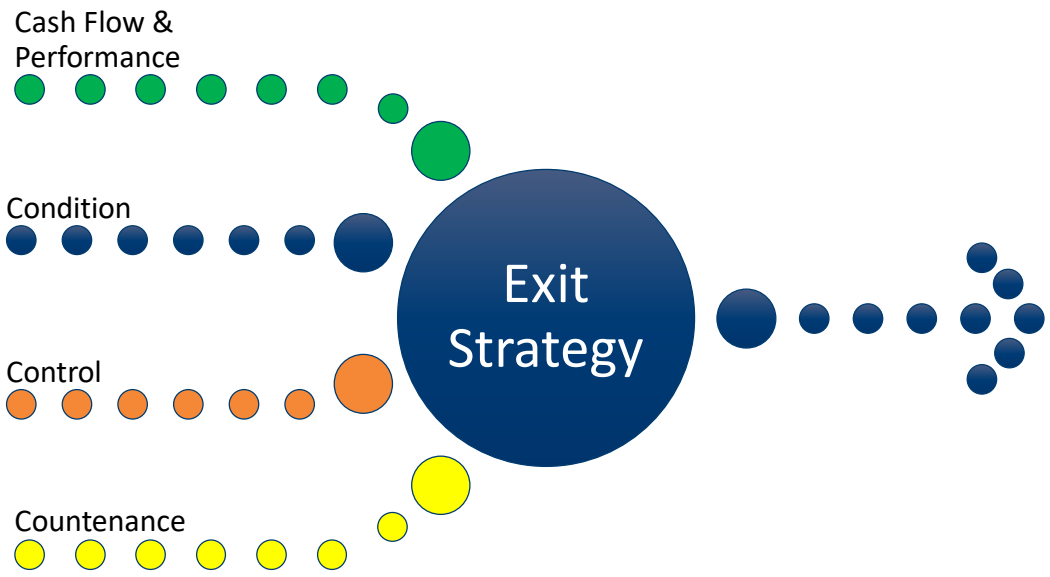


IMMERSIVE SOLUTIONS

EXIT STRATEGY

As affordable housing deals mature and come to the end of the compliance period, owners and investors must analyze their options. Detailed analysis is needed to facilitate the transaction unwind as investors may choose to move on and owners may opt to sell or rehabilitate a property, raising numerous questions including whether the deal can be re-syndicated as a tax credit deal.

- Year 15 analysis, including evaluation of options & strategies for stakeholders
- Debt restructuring or refinance
- Exit tax analysis
- Right-of-first refusal calculations
- Put Options/Call Options
- Qualified contract price calculations
- FMV Appraisals
- Fractional Interest Valuations
- Market Studies



KEY QUESTIONS

My LP has a substantial positive capital account. What does this mean and what is its impact?

My deal's soft debt is in excess of fair market value. What can be done?

When do I start thinking about my exit strategy?

KEY CONSIDERATIONS FOR MARKET STUDIES

What is the Condition of the property – (Light vs Heavy Rehab)?

What is the likely **growth rate for 2-5 years** out?

Do local area considerations present challenges for **rent maximization and income growth?**