



Planning for Preservation

Portfolio Preservation in Rural Markets North Carolina Transaction

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Saturday, February 24, 2024



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USDA Rural Development – Multifamily Housing

Portfolio Overview

Section 515

- Communities 12,000
- Units 389,000
- RA Units 296,276
- Average Age 36 Years

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RD 515 Portfolio – North Carolina

Bond Preservation Transaction with Tax-Exempt Bond Financing - Overview

- Location 19 communities
- Size 649 units
- Target 14 Family; 5 Senior
- Subsidy 640 units (98%) USDA Section 521 RA
- Age 1974 - 2004
- Affordability 100% @ 60% AMI or less
- Hard Costs \$55,000 per unit

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Sources

Gross Tax-Exempt Bond Issuance	\$46mm
Senior Debt – FNMA	\$37mm
Subordinated Debt – USDA 515	\$17mm
Federal LIHTC (4%)	\$27mm
CMF	\$2mm
Soft Funds	\$2mm
Bond Reinvestment Income	\$4mm
Other – Surplus RR	\$6mm
Investment Earnings	\$4mm
Developer Contributions / Operations	<u>\$6mm</u>

Total Sources >>>

~\$150mm

Planning for Preservation


Keys to Success

- Experienced Development Team / Partner
- Strong Relationships – Syndicator, Lender, GC, Architect, HFA, RHS
- Commitment & Perseverance
- Patience & Humor



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Thank you

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