

# ABOUT BEACON



**20,000+**  
Apartment Homes



**160+**  
Locations



**11**  
States + District of Columbia



**800+**  
Team Members



**45+**  
Years Experience

Create and nurture healthy, vibrant and sustainable communities that positively impact the lives of our residents and make enduring contributions to the vitality of our cities and towns. We call this Living Well by Design.



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- State LIHTC only / No hard debt.
- Located in Easthampton, MA.
  - 100 mi West of Boston
- 60-unit intentional, intergenerational community
  - Integrates family housing for households who have adopted children who have experienced the foster care system with households aged 55 years or older who agree to mentor the children.
- Beacon built the development 17 years ago on behalf of 501(c)3 Treehouse Foundation and also manages the property.
- Current rehab scope: capital needs, deep energy retrofit and 100% electrification, decarbonization.
- Closing November 2025



# Treehouse at Easthampton Meadow

<b>TYPE:</b>	Multi-Family Affordable Housing Preservation, Moderate
<b>TOTAL UNITS:</b>	Rehabilitation 60 units
<b>TDC:</b>	\$31.5MM (\$258k hard cost per unit)
<b>STATUS:</b>	Development, Closing end of 2025



## Background

- Beacon Communities developed the property in 2006 on behalf of the Treehouse Foundation and also manages the property.
- Current rehab scope: capital needs, deep energy retrofit and 100% electrification, decarbonization.
- 60-unit intergenerational community - Integrates family housing for households who have adopted children who have experienced the foster care system with households aged 55 years or older who agree to mentor the children.
- The development is comprised of 48 1-bedroom apartments for seniors clustered in 17 one-story buildings, and 12 3- 4- and 5-bedroom townhomes for families clustered in six 2-story buildings. The development also includes a 5,100 square foot community center and a 1,200 square foot maintenance facility. Of the 60 units at Treehouse, 54 are affordable at incomes of 30% to 60% Area Median Income (AMI) or below, and the remaining 6 units are set at market rates.

# Pricing & Capital Stack

<u>Sources</u>	<u>Construction</u>	<u>Perm</u>
	-	-
Taxable Construction Loan	11,925,609	-
MA Climate Bank Subordination Loan	4,500,000	5,000,000
MassHousing Capital Magnet Fund	1,170,000	1,300,000
SLIHTC Loan	-	13,205,378
EOHLC Soft Loans (HSF & AHTF)	3,060,000	3,400,000
EOHLC Climate Ready Funds (Awarded)	675,000	750,000
City of Easthampton CPA [Grant] (Awarded)	200,000	200,000
DOER LMI Decarb. Grant (Awarded)	2,700,000	3,000,000
MassSave Electrification Rebate (LEAN)	-	714,000
<b>Deferred Fee</b>	-	-
<b>Total Sources</b>	<b>28,183,609</b>	<b>31,502,378</b>

## Pricing:

- \$3.2M in annual MA tax credits x 5 years @ \$0.83
- Investor is requiring construction debt and 2027 credit delivery

## Sources:

- New MA Climate Bank Loan
- MassHousing:
  - Capital Magnet Fund
- EOHLC Loans:
  - HSF & AHTF
  - Climate Ready Funds
- City of Easthampton CPA
- DOER Decarbonization Grant
- MassSave Electrification Rebate

# Ulster Portfolio Overview

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<b>TYPE:</b>	Multi-Family Affordable Housing Preservation, Moderate
<b>TOTAL UNITS:</b>	Rehabilitation 212 units
<b>TDC:</b>	\$43MM (\$73k hard cost per unit)
<b>STATUS:</b>	Complete, converting end of 2025



## Background

- In 2022, Beacon purchased Birchwood Village, Birches at Saugerties, and Chambers Senior Housing as part of a state-assisted portfolio of existing affordable housing
- In March 2024, Beacon closed on a resyndication to fund a substantial rehabilitation and extend affordability for the three properties
- Affordability for the 212 units is set aside for residents earning 40%, 50% and 60% of Area Median Income, with 82 units receiving project-based Section 8 subsidy
- 5% of units are accessible and 132 units are reserved for senior households
- Beacon worked with each property's respective town to reposition and extend PILOT agreements

# Three Properties in Ulster County

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## Birchwood Village

- 80 units in Kingston, NY
- 32 units have project-based Section 8
- 11 residential buildings, 1 community building

## Birches at Saugerties

- 60 units in Saugerties, NY for seniors 55+
- 25 units have project-based Section 8
- 6 residential buildings, 1 community building

## Chambers Senior Housing

- 72 units in Saugerties, NY for seniors 55+
- 25 units have project-based Section 8
- 9 residential buildings, 1 community building



# Financial Structure

## First SLIHC-Only Transaction in New York State

Sources	Construction	Permanent
Short Term Tax-Exempt Recycled Bonds	\$15,205,000	-
Permanent Tax-Exempt Recycled Bonds	6,070,000	6,070,000
SLIHC Loan (\$0.81 per credit)	-	14,580,000
New York State New Subsidy	15,095,113	16,661,996
Resubordinated Existing Subsidy	2,598,617	2,598,617
Subsidy Accrued Interest	494,365	626,196
Existing Reserves	533,052	533,052
Deferred Fee	-	2,241,585
<b>Total Sources</b>	<b>\$39,047,969</b>	<b>\$43,311,446</b>

### Pricing:

- \$1.8M in annual NY tax credits x 10 years @ \$0.81

### Sources:

- Short- and Long-Term Recycled Bonds
- Multifamily Preservation Program (MPP)
- Resubordinated HTFC

# Key Differences: No Fed LIHTC Investor

## Equity Investor Involvement

- No institutional federal investor –no investor in ownership.
- State credit purchasers may be local or regional banks, utility companies or insurance companies seeking state tax benefits.
- Investor diligence and oversight typically less intensive due to absence of federal requirements and long-term involvement.
- No complex LIHTC partnership agreement or typical fed investor guarantee requirements (Operating Reserve, Operating Deficit Guarantee)
- Falls to permanent/construction lender requirements, which are usually less restrictive.

## Compliance & Reporting

- Compliance governed by state HFA (requirements vary).
- Fewer annual investor reporting obligations and for a short amount of time.
- Depending on state – recourse of the recapture is much less.



# Benefits & Thoughts

## BENEFITS

- **Lower investor involvement than Federal LIHTC.**  
The SLIHC investor can receive state tax credits without entering property ownership.
  - The owner owns the project 100%.
  - Structures vary for non-profits vs for-profits on how the equity enters the partnership.
  - Fewer reporting requirements
  - No partnership agreement negotiation
  - Less risk to investor
  - Higher tax credit pricing
- **Reduce use of limited volume cap bonds.**
  - Volume cap bond allocation in New York state limits affordable housing production and preservation. Volume cap is even further limited for preservation deals as it is usually reserved for new units.
  - Massachusetts does allow volume cap for preservation. With the 25% test change, does SLIHTC only transaction still make sense?

## CONSIDERATIONS

- Each state structures its own state credit program. It is important to stay current with the latest processes
- The certificated credit enters the project as debt rather than equity on for profit deals.
- SLIHTC only structures work best in states that have certificated credits.

