



PRESERVING AFFORDABLE MULTI-FAMILY PROJECTS USING NSP FUNDS

Presentation by Scott Kline

September 27, 2011



**NATIONAL
HOUSING
TRUST**

National Housing Trust



- Committed to safeguarding affordable housing.
- Only national nonprofit engaged in housing preservation through real estate development, lending **and** public policy initiatives.
- The National Housing Trust:
 - Lends early money to developers to help them purchase and renovate affordable apartments. *Loans have helped preserve nearly 5,000 homes.*
 - Educates policymakers of the need to dedicate resources towards the revitalization of existing affordable apartments.
 - Acquires, recapitalizes, and preserves affordable apartments through development arm, NHT/Enterprise Preservation Corporation. *NHT/Enterprise has participated in the preservation of 6,000 homes.*





- > Original contract or its subsequent amendments.
- > Requests for budget revisions.
- > Requests for approval of subcontracts.

Non-compliance with the above requirements will be considered a breach of Contract if not corrected within thirty (30) days of the quarterly submittal of the required Progress Report, which may result in the immediate termination of the Contract, the recovery of the entire funding award, and the disqualification of funding through the Department for a period of three (3) years.

ARTICLE V
Compliance with Federal, State and Local Laws

Compliance with American Recovery and Reinvestment Act of 2009: This project and Agreement are subject to all criteria and conditions of the American Recovery and Reinvestment Act (ARRA) of 2009, including but not limited to provisions of the ARRA that are specifically set forth herein.

Compliance with Title III of the Housing and Economic Recovery Act of 2008(HERA) and the Neighborhood Stabilization Program (NSP) established by that Act: This project and Agreement are subject to all criteria and conditions of the NSP.

Compliance with Miami-Dade County's NSP Substantial Amendment and Implementing Order (IO) 2-11: This project and Agreement are subject to all criteria and conditions of these County regulations and orders.

Developer agrees to comply, subject to applicable professional standards, with the provisions of any and all applicable Federal, State and the Agency orders, statutes, ordinances, rules and regulations which may pertain to the Services required under this Agreement, including but not limited to:

- a) Executive Order 11246 "Equal Employment Opportunity", as amended by executive Order 11375 and as supplemented in Department of Labor regulations (41 CFR Chapter 60), as well as the Americans with Disabilities Act of 1990 and implementing regulations, the Rehabilitation Act of 1973, as amended, Chapter 553 of Florida Statutes and any and all other local, State and Federal directives, ordinances, rules, orders, and laws relating to people with disabilities.
- b) The Copeland "Anti-Kickback" Act as supplemented in Department of Labor regulations (18 U.S.C. 874 and 40 U.S.C. 276c and 29 CFR Part 3)— "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States". The Act provides that each contractor or sub recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled
- c) The Davis-Bacon Act; Copeland Anti-Kick Back Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. Developer shall report all suspected or reported violations to the County.
- d) Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333)—Contractor shall comply with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, Contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section



107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.



- a) In accordance with 24 CFR Section 670.208 of the federal regulations, the Developer shall achieve the national objective of **Benefit to Low-, Moderate- and Middle-Income Persons or Households (LMMI)**. Developer shall execute and deliver to the County during the loan closing process, a Promissory Note committing to repay the funds provided by the County pursuant to this Agreement in the event that Developer fails to meet the national objective. Developer understands that the County may be liable to HUD for repayment of the federal funds loaned to Developer pursuant to this Agreement in the event that HUD determines that Developer has failed to meet the national objective. **DEVELOPER WAIVES ANY RIGHT TO OBJECT TO THE REPAYMENT OF FUNDS, PURSUANT TO THIS AGREEMENT AND/OR THE PROMISSORY NOTE, IN THE EVENT THAT US HUD DETERMINES THAT THE DEVELOPER HAS NOT MET THE NATIONAL OBJECTIVE.** The County shall have all rights and remedies in law and equity to seek repayment of funds loaned to Developer pursuant to this Agreement.
- f) HUD's reporting requirements and regulations, as specified in the Grant Agreement and required of the County.
- g) Compliance with Executive Order 12549 and 12689 "Debarment and Suspension", which stipulates that no contract(s) are "to be awarded at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs.
- h) Mandatory standards and policies related to energy efficiency which are contained in the State of Florida energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).
- j) *Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.)*, as amended—Developer agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA) and the County.
- k) **Lobbying Restrictions. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)** — Developer shall file the required certification pursuant to the *Byrd Anti-Lobbying Amendment*. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient/County. In addition, Developer will comply with 24 CFR Part 87, which provides restrictions on lobbying.
- l) **Drug-Free Workplace Requirements**—Developer shall provide a drug-free workplace and shall certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part 24, subpart F.
- m) HUD procurement regulations as set forth in 24 CFR Part 85 and 24 CFR Part 983 as further explained in HUD Handbook 7460.8 Rev. 1n) Lead Based Paint Poisoning Act (42 USC 4821, et. Seq.)
- o) The Fair Housing Act (42 U.S.C. 3601-19 and regulations pursuant thereto (24 CFR Part 100); Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR Part 107); and the fair housing poster regulations (24 CFR Part 110).



- p) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations pursuant thereto (24 CFR Part relating to non-discrimination in housing.
- q) The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 CFR Part 146).
- r) The prohibitions against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 CFR Part 8); the Americans with Disabilities Act and regulations pursuant thereto (28 CFR Part 36); and the Architectural Barriers Act of 1968, as amended, and regulations issued pursuant thereto (24 CFR Part 40).
- s) Section 3 of the Housing and Urban Development Act of 1968 and regulations issued pursuant thereto (24 CFR Part 135), requiring that the Developers and Subcontractors, working on HUD assisted projects, shall make their best efforts to give training and employment opportunities to low and very-low income persons, preferably to residents of public housing developments (see Appendix 1).
- t) Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the USHUD Act of 1968, the Developer is required to make efforts to ensure that Section 3, small businesses, minority-owned businesses, women-owned businesses, and labor surplus area businesses. Such efforts shall include, but shall not be limited to:
 - 1) Business outreach strategies and award of subcontracts to Section 3 businesses, in the priority order described in Section 3 Appendix B-5, Section E and in the Section 3 Economic Opportunity and Affirmative Marketing Plan (Document 00400) form, attached to Appendix B-5.
 - 2) Including such firms, when qualified, on solicitation mailing lists;
 - 3) Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
 - 4) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
 - 5) Establishing delivery schedules, where the requirement permits, which encourage participation by such firms; and
 - 6) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
- u) Section 102 of the Department of Housing and Urban Development Reform Act of 1989 and regulations issued pursuant thereto (24 CFR Part 4, Sub-Part A) which contain provisions designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD.
- v) 24 CFR Part 24 which applies to the employment, engagement of services, awarding of contracts, sub-grants, or funding of any recipients, or Developers or sub-Developers during any period of debarment, suspension, or placement in ineligibility status.
- w) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 CFR Part 24
- x) Miami-Dade County Department of Business Development Participation Provisions, as applicable to this Contract.
- y) Miami-Dade County Code, Chapter 11A All Developers and Subcontractors performing work in connection with this Contract shall provide equal opportunity for employment because of race, religion, color, ancestry, pregnancy, age, sex, national origin, sexual preference, disability or marital status. Additionally Developer and its Subcontractors shall not discriminate on the basis of source of income in housing. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous place available for employees and

applicants for employment, such notices as may be required by HUD, the County, or any other federal, state or local enforcement agency.

- z) "Conflicts of Interest" Section 2-11 of the Code of Miami-Dade County, and Ordinance 01-189. Section 2-11.1(d) of the Miami-Dade County Code requires that any County employee or any member of the employee's immediate family who has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County, competing or applying for a contract, must first request a conflict of interest opinion from the County's Ethic Commission prior to their or their immediate family member's entering into any contract or transacting any business through a firm, corporation, partnership or business entity in which the employee or any member of the employee's immediate family has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County. Any such contract or business engagement entered in violation of this subsection, as amended, shall be rendered voidable. For additional information, please contact the Ethics Commission hotline at (305) 578-2593.
- aa) Miami-Dade County Code Section 10-38 "Debarment".
- bb) Miami-Dade County Ordinance 99-5, codified at 11A-80 et. seq. of Miami-Dade Code pertaining to complying with the Agency's Domestic Leave Ordinance.
- cc) Miami-Dade County Ordinance 99-152, prohibiting the presentation, maintenance, or prosecution of false or fraudulent claims against Miami-Dade County.
- dd) Florida's Public Records Law, Section 119.071, Florida Statutes, by retaining a record of the distribution of all Documents, in full, upon completion of the Contract.

In addition to the requirements in the Agreement, the Developer agrees to comply with all the provisions of 24 CFR 570.502, 24 CFR 570.503, and the entirety of 24 CFR Part 570, Subpart K, including the following:

- Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11083.
- Section 109 of the Housing and Community Development Act.
- Labor standards.
- Environmental standards.
- National Flood Insurance Program.
- Uniformed Relocation Act.
- Employment and contracting opportunities.
- Lead-based paint regulations.
- Eligibility of contractors or sub recipients.
- Uniform administrative requirements and cost principles.
- Conflict of interest.
- Executive Order 12372.
- Eligibility of certain resident aliens.
- Architectural Barriers Act and the Americans with Disabilities Act.

Notwithstanding any other provision of this Agreement, Developer shall not be required pursuant to this Agreement to take any action or abstain from taking any action if such action or abstention would, in the good faith determination of the Developer, constitute a violation of any law or regulation to which Developer is subject, including but not limited to laws and regulations requiring that Developer conduct its operations in a safe and sound manner.

Additionally, Developer shall execute the following County Affidavits. The Developer shall be a registered vendor with the County – Department of Procurement Management, for the duration of this Agreement. In becoming a Registered Vendor with Miami-Dade County, the Developer confirms its knowledge of and commitment to comply with the following:

- 1. **Miami-Dade County Ownership Disclosure Affidavit** (Section 2-8.1 of the County Code)



2. **Miami-Dade County Employment Disclosure Affidavit** (Section 2-8-1(d) (2) of the County Code)
3. **Miami-Dade County Employment Drug-free Workplace Certification** (Section 2-8.1.2(b) of the County Code)
4. **Miami-Dade Disability and Nondiscrimination Affidavit** (Section 2-8.1.5 of the County Code)
5. **Miami-Dade County Debarment Disclosure Affidavit** (Section 10.38 of the County Code)
6. **Miami-Dade County Vendor Obligation to County Affidavit** (Section 2-8.1 of the County Code)
7. **Miami-Dade County Code of Business Ethics Affidavit** (Section 2-8.1(f) and 2-11(b) (1) of the County Code through (6) and (9) of the County Code and Section 2-11.1(c) of the County Code)
8. **Miami-Dade County Family Leave Affidavit** (Article V of Chapter 11 of the County Code)
9. **Miami-Dade County Living Wage Affidavit** (Section 2-8.9 of the County Code)
10. **Miami-Dade County Domestic Leave and Reporting Affidavit** (Article 8, Section 11A-60 11A-67 of the County Code)
11. **Subcontracting Practices** (Ordinance 97-36)
12. **Subcontractor /Supplier Listing** (Section 2-8.8 of the County Code)
13. **Environmentally Acceptable Packaging** (Resolution R-738-92)
14. **W-9 and 8109 Forms** (as required by the Internal Revenue Service)
15. **FEIN Number or Social Security Number**
In order to establish a file, the Contractor's Federal Employer Identification Number (FEIN) must be provided. If no FEIN exists, the Social Security Number of the owner or

individual must be provided. This number becomes Contractor's "County Vendor Number". To comply with Section 119.071(5) of the Florida Statutes relating to the collection of an individual's Social Security Number, be aware that the County requests the Social Security Number for the following purposes:

- Identification of individual account records
- To make payments to individual/Contractor for goods and services provided to Miami-Dade County
- Tax reporting purposes
- To provide a unique identifier in the vendor database that may be used for searching and sorting departmental records

16. Office of the Inspector General
(Section 2-1076 of the County Code)

17. Antitrust Laws

By acceptance of any contract, the Contractor agrees to comply with all antitrust laws of the United States and the State of Florida. **State Public Entity Crimes Affidavit**

18. State Public Entity Crimes Affidavit



NSP BACKGROUND



NSP 1:

- ❑ \$3.92 Billion;
- ❑ allocated to municipalities based on a formula evaluating foreclosure rates, subprime loan rates & rates of loan delinquencies;
- ❑ each jurisdiction must use (allocate for a specific purpose) its NSP funds within 18 months after HUD signs its NSP grant agreement

NSP 2:

- ❑ \$1.9 Billion;
- ❑ competitive allocation opened to nonprofits as well as municipalities. Respondents often “consortiums.”
- ❑ 56 Grantees;
- ❑ 50% by February 2012; 100% by February 2013

NSP ELIGIBILITY



Eligible Uses:

- Establish financing mechanisms and/or redevelop foreclosed and/or abandoned residential properties;
- Establish land banks for foreclosed homes;
- Demolish blighted structures;
- Redevelop demolished or vacant properties

Eligible Properties Also Include:

- Property's delinquent on mortgage at least 60 days and Owner notified;
- Property is 90 days or more delinquent on tax payments;
- Foreclosure proceedings have been initiated or completed.

NSP REQUIREMENTS



- Census tract of property must be NSP eligible based on “foreclosure risk” and “vacancy” scores.
- Homes must be affordable to households with incomes that do not exceed 120% of AMI;
- 25% of allocation to any grantee or sub grantee must provide housing that is affordable to households at 50% AMI;
- For individual purchase transactions, property must be purchased at a discount of the market appraised value (NSP1 = 5%; NSP2 = 1%);
- Projects must go through federal environmental review process; no reimburse for costs incurred prior to completion.



Notable Issues:

1.Developer fee: fee for services of developing and implementing finance, construction, and affordability plan.

2.Procurement: selection of contractors and/or materials through a competitive process

3.Program Income: any gross income received by a grantee that was generated from the use of federal programs such as HOME & Community Development Block Grant (CDBG). Examples include property sale proceeds, interest earned on advances, cash flow generated by a operations of a property. If Program Income rules apply, the income must be used for another NSP-eligible activity.



Developer Fee

To be treated as a developer, the entity must demonstrate ownership or control of the property to be rehabilitated or redeveloped. The entity must demonstrate that it has risk in the transaction.

Entity:	Grantee	Private Developer (nonprofit or for-profit)	Subrecipient (including nonprofit consortium members and PHA's)	Contractor
Developer fee allowed?	No	Yes	No	N/A. Fee for services



Entity:	Grantee	Developer	Subrecipient	Contractor
Procurement Rules	<i>Applies</i>	<i>No</i>	<i>Applies</i>	N/A. <i>Procured if rule applies</i>
Treatment of Program Income	<i>Applies. Excess revenue must be used for other NSP-eligible activities</i>	<i>No, but grantees should protect against undue enrichment</i>	<i>Applies. Excess revenue must be used for other NSP-eligible activities</i>	No.



4 Projects Presently in NHT/Enterprise Pipeline:

The Leonard	Copeland Manor	Tequesta Knoll	Harvard House
NSP 1 Funding as Developer	NSP 2 Funding As Consortium Member	NSP 2 Funding As Developer	NSP 1 & NSP2 Funding As Developer



THE LEONARD

NSP1 Funding;
NHT/Enterprise as
Developer



Current Status:

- Successful in securing \$3 million of NSP1 funds for 3 buildings
- Not successful in securing necessary additional funding from NSP2 for balance of buildings
- City of Syracuse has negotiated a sale with HUD that allows them 90 days to identify developers for the remaining 6 buildings
- City acquired buildings with expectations that they would be able to transfer 6 to a combination of local for profit and nonprofit developers.
- The remaining 3 have been transferred to the Syracuse Public Housing Authority and are being re-developed through a joint venture between NHT/Enterprise and the Authority using NSP1, weatherization and state funds.

Challenges:

Once again, lack of HUD's affirmative position and action to seek preservation as the goal

THE LEONARD



Project Description

- Location:** *Syracuse, NY*
- # of Units:** *48*
- Bldg. Style:** *Abandoned, boarded up, 3-story walk-ups; 3 buildings*
- Rehab Scope:** *Complete gut rehab; some unit reconfiguration to provide more 3/4 bedroom apartments*
- Background:** *HUD foreclosure of large portfolio acquired by city with help of NHT/Enterprise; NHT/Enterprise assists city with securing NSP1 funding from state; 3 buildings transferred to Syracuse Housing Authority who will partner with NHT/Enterprise.*

THE LEONARD



THE LEONARD



THE LEONARD



THE LEONARD



THE LEONARD



LEONARD CHALLENGES



Background for several inter-related issues:

□ NSP1 grant agreement b/t City, Syracuse Housing Authority (SHA) and NHT/Enterprise

□ HUD riders to deed upon foreclosure sale to city required HUD approval to change unit configuration or for property sale



LEONARD CHALLENGES (2)



Project objectives included:

- 1.) developer fee for SHA,
- 2.) developer fee for NHT/Enterprise,
- 3.) avoid procurement requirements

But:

- ❑ SHA = housing authority, treated as a sub-recipient, so:
 - > Ineligible for a developer fee
 - > Subject to procurement rules
- ❑ NHT/Enterprise not the property owner, so ineligible to be treated as developer & therefore earn dev'l fee.
- ❑ SHA can't sell directly to NHT/Enterprise because that would require public disposition process – not enough time and risky

LEONARD CHALLENGES (3)



- Solution to address 2 out of 3 = NHT/Enterprise to lease the property from SHA and take construction loan in its name (secured by the real estate with SHA's acquiescence).
- Process of arriving at solution has precluded execution of any contracts (procurement), so behind schedule. Have to be done by August , 2012.
- Patching together 6 sources of financing.
- 2530 approval in process.
- Latest challenge = asbestos.

THE LEONARD



Financing Plan



DEVELOPMENT BUDGET	
SOURCES OF FUNDS:	
Available Debt As Calculated Above- NOI	545,000
NSP1	3,237,500
GIF Water Retention Application	157,104
NYSERDA	76,500
Weatherization Assistance Program	266,500
HOME Loan (SNBD)	300,000
FHLB NY AHP (<i>Requested \$371,979; 1/2012 Notification</i>)	
TOTAL SOURCES:	\$4,582,604
USES OF FUNDS:	
Renovation/Rehabilitation	(3,614,884)
Soft Costs	(950,920)
Developer's Fee	300,000
Reserves	(16,800)
TOTAL USES:	(4,582,604)
SURPLUS/(DEFICIT):	(0)



COPELAND MANOR

NSP2 Funding;
NHT/Enterprise as
Consortium Member Serving
as Developer

COPELAND MANOR



Project Description

- Location:*** *Washington, DC*
- # of Units:*** *61*
- Bldg. Style:*** *3/4 Story walk-up garden*
- Rehab Scope:*** *Complete renovation; all new systems and finishes*
- Background:*** *Tenant purchase under D.C. TOPA laws with rehab funding from City; City runs out of \$ for rehab; Tenant Coop defaults on City acquisition loan.*

COPELAND MANOR



COPELAND MANOR



COPELAND MANOR



COPELAND MANOR



COPELAND MANOR



COPELAND CHALLENGES



Challenge = Ongoing Tenant Ownership; foreclosed upon entity can not be the beneficiary of NSP funding.

Solution = sell property to NHT/Enterprise and lease property back to Coop. After 15 years, Coop has right to purchase for a price equal to existing debt, plus \$250,000.



Next challenge = tenant buy in

Solution = lots of tenant meetings and handouts

COPELAND CHALLENGES(2)



Challenge = Dev'l Fee to NHT/Enterprise, a n/p consortium member.

Solution = bang head against wall; meet with HUD; bang head against wall some more; talk to other non-profit consortium members; bang head; accept reimbursement for staff time and take fee on non-NSP funds, and in 15 years earn a \$250k profit on sale.

Challenge = Explaining plan to DC and convincing them to participate in friendly foreclosure process, transfer property to NHT/Enterprise, convert their loan to a cash flow “note” and release their security interest. Exasperated by DC’s distrust, and the added complexity of the lease arrangement.

Solution = Meetings with Deputy Mayor, Councilwoman, and Director of DC Housing.

COPELAND CHALLENGES (3)



Challenge = Coop had \$150,000 of payables. Ineligible for NSP funds.

Solution = NHT/Enterprise loaned funds to Coop and DC agreed to allow priority re-payment from cash flow ahead of their loan.



COPELAND MANOR



Financing Plan



DEVELOPMENT BUDGET	
SOURCES OF FUNDS:	
Private Bank Debt	821,121
NSP2 Grant	3,600,000
TOTAL SOURCES:	\$4,421,121
USES OF FUNDS:	
Acquisition	(1)
Renovation/Rehabilitation	(3,117,060)
Soft Costs	(768,965)
Staff time reimbursement	(168,000)
Developer's Fee <i>(10% of non-NSP Funds)</i>	(82,000)
Reserves	(285,095)
TOTAL USES:	(4,421,121)
SURPLUS/(DEFICIT):	0



TEQUESTA KNOLL

NSP2 Funding;
NHT/Enterprise as
Developer

TEQUESTA Project Description



- Location:** *Miami, FL*
- # of Units:** *100*
- Bldg. Style:** *9 story elevator high-rise*
- Rehab Scope:** *Impact windows and doors; other light capital improvements; Detailed scope in development stage*
- Background:** *Tax credit property; Managing GP bankrupts; Investor steps in as temporary MGP, selects NHT/Enterprise as new MGP; Property delinquent on Miami Surtax Loan; NHT/Enterprise partners with Carrfour, NSP2 consortium member; funding allows for larger scope, less debt than initial plan*

TEQUESTA KNOLL



TEQUESTA KNOLL



TEQUESTA KNOLL



TEQUESTA KNOLL



Challenge = project not located in qualified NSP tract.

Solution = secured waiver from HUD.



Challenge = Carrfour, as consortium member is treated as sub-grantee and required to procure for goods and services.

Solution – NHT/Enterprise is majority owner of property.

TEQUESTA KNOLL



Financing Plan



<u>USES OF FUNDS</u>	<u>Amount</u>
Acquisition	2,531,385
Building Renovation	1,686,259
Soft Cost	1,071,487
Finance Costs	1,200
Reserves	0
Developer Fee	480,000
TOTAL USES:	5,770,331
<u>SOURCES OF FUNDS</u>	<u>Amount</u>
NSP2 Grant	5,270,331
Assumed Loan-AHP	500,000
Interim Income	0
TOTAL SOURCES:	5,770,331



HARVARD HOUSE

NSP1 & NSP2 Funding;
NHT/Enterprise as
Developer

HARVARD Project Description



- Location:** *North Miami Beach, FL*
- # of Units:** *56*
- Bldg. Style:** *Four floor elevator*
- Rehab Scope:** *Complete renovation; all new systems and finishes*
- Background:** *Tax credit property; Managing GP bankrupts; Investor steps in as temporary MGP, selects NHT/Enterprise as new MGP; Project in default on 1st mortgage from commercial bank and 2nd mortgage from Miami Dade County; NHT/Enterprise partners with Carrfour to combine NSP1 & NSP2 funding.*

HARVARD HOUSE



HARVARD HOUSE



HARVARD HOUSE



HARVARD HOUSE



HARVARD CHALLENGES



Challenge = Carrfour as consortium member treated as sub-recipient requiring procurement of services.

Solution = Deal with it.

Challenge = Carrfour responsible for booking and accounting for NSP2 funds; NHT/Enterprise for NSP1 funds.

Solution = Use NHT/Enterprise funds only for construction which exceeds funds contributed by NHT/Enterprise.

HARVARD CHALLENGES (2)



Challenge = draw down period for NSP 1 funds, to be used to pay general contractor for construction, lengthy

Solution = NSP2 funds, which are quickly drawn, will be advance to pay general contractor and reimbursed from NSP1. Additional benefit is it helps Carrfour meet 50% spending requirement.



HARVARD HOUSE



Financing Plan



USES OF FUNDS	<u>Amount</u>
Acquisition	1,161,067
Building Renovation	3,404,748
Soft Cost	1,097,403
Finance Costs	59,086
Reserves	0
Developer Fee	770,880
TOTAL USES:	6,493,183
SOURCES OF FUNDS	<u>Amount</u>
NSP I	2,239,082
NSP II	4,012,101
Assumed AHP Loan	242,000
Interim Income	0
TOTAL SOURCES:	6,493,183

Da-Da-Da-Da-Da



Dat's all Folks!

For More Information

Scott Kline

National Housing Trust

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