

Preservation In The New World

# NH&RA Conf

May, 2009

Chris Foster  
The Hampstead Companies

# Trouble

- Nobody Likes My Projects
  - Bond Financing
  - Acquisition Rehab
- Conflicting Goals
  - More sources for more money vs. S I M P L E

# Opportunities

- Sellers Motivated
  - The world goes on
- Product
- TARP
- Stimulus \$

# TARP – “Neighborhood Stabilization Program”

- \$6 Billion
  - \$3.92 B Allocated to States Already
    - Formula
  - \$1.93 B to be allocated July 17
    - Competition
- Buy and Rehab Foreclosed Props
- Fight Blight
- Administered Locally (CBDG)

# Weatherization Money

## "Wap"

- \$5 Billion
  - 20 fold increase
- Most Pres Props Qualify
  - Based on existing income certs
- Administered Locally

# Green Initiative

- Administered by OAHP
- 2 Programs
  - M2m Props
    - 97% Covered by HUD
    - Increased IPF
    - Exception Rents
  - Assisted Housing Green Initiative
    - \$250 Million Approx
    - Program guidelines soon

# Public Housing Capital Funds

- \$4 Billion
  - Doubles previous funding levels
- Must be housing authority props
  - Not Sec 8
  - Can JV w/ private developers & Investors

# Exchange and CTAC

- Go w/ TC Allocations
- Many States Favoring 9% Projects
  - Notwithstanding that preservation projects are perfect fit given timing considerations



# Creative Solutions

- Use New Funding Sources
- Take Sellers Along For The Ride
- Mix w/ Other Local Goals
- Market?
- Trade Dev Fees for Upside or Cash Flow
- New Credit Equity Sources

# Prepare

- Engineer For Yield and Financing Approval
- Proforma For Additional Requirements
- Be Ready To Proceed
- Go After Returned Allocations
- Lobby Agencies and Municipalities To Make Preservation Projects Work