



Portfolio Applications and Phasing

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PORTFOLIO APPLICATIONS: QUESTIONS



- What's a portfolio? How should the PHA define it?
 - Area of City
 - Financing Method
 - Relocation Challenges
 - Type of project
 - Level of rehab required
- Can the PHA change it later? At least 50% of projects or units?
- How will it help with financing?
- When should resident meetings be held?
- How does it affect rent bundling?
- What's the difference between rent bundling and project "bundling"?



PORTFOLIO APPLICATIONS: EXAMPLES



PHA A: 900 units, 1 Portfolio



Rehab Needs

- Two complex redevelopments (LIHTC, HTC) totaling 450 units
- Added balance of inventory



PHA's Goals

- Get financing started on two major redevelopments
- Preserve 2012 rents for balance, despite no plans in place
- Move everything to one funding platform





PORTFOLIO APPLICATIONS: EXAMPLES



PHA B: 2400 units, 3 Portfolios



Rehab needs:

- \$19k/unit average rehab across inventory
- Several ARRA projects
- One clear demo/new construction candidate



PHA's goals:

- Keep 100% ownership of 1/3 of inventory
- Stage rehab; manage by cap fund staff; PHA property management
- 4% LIHTC for minor rehab/excess proceeds
- 9% LIHTC for clear demo; CNI; phasing
- 9% for new additions to portfolio





PORTFOLIO APPLICATIONS: EXAMPLES



PHA C: 6000 units, 8 portfolios



Rehab Needs

- Less than \$35,000 average
- Manageable “first cut”



PHA Goals

- Full inventory conversion
- Cash out on existing minor rehab to generate capital for construction
- Define portfolios by identified neighborhoods and nonprofit developers





PORTFOLIO APPLICATIONS: KEY POINTS

- Double PHA's ability to lock in 2012 rents
- Spread out financing applications and workload
- Follow milestones for each part of portfolio
- Increases feasibility of whole inventory conversions





PHASING: QUESTIONS



- When does phasing make sense?
- Partial vs. Phasing and Phasing vs. Portfolio?
- How many phases can be done within the Notice timing?
- “Early bite” at the LIHTC apple?
- Effect of unsuccessful 9% LIHTC?



PHASING: EXAMPLES – REPOSITIONING A LARGER ASSET



Phase	# of Units in Phase	Date of Application (or Proposed)	Type	LIHTC & QAP Year Or Other Financing	Financing Plan	Demo/ Dispo in Phase
1	120	9/1/13	Rehab	4% - 2013	3/1/14	No
2	80	3/1/13	New Construction	9% - 2014	9/1/14	Yes
3	100	3/1/14	New Construction	9% - 2015	9/1/14	Yes
4	50	1/1/15	Acquisition	Surplus Cash	7/1/15	No
5	50	7/1/15	Rehab	FHA	12/1/15	No
Total	400	-	-	-	-	-



PHASING: EXAMPLES – TRANSFERS OF ASSISTANCE



Phase	# of Units in Phase	Date of Application (or Proposed)	Type	LIHTC & QAP Year Or Other Financing	Financing Plan	Demo/ Dispo in Phase
1	10	9/1/13	New Construction	9% - 2012	3/1/14	No
2	10	3/1/13	New Construction	9% - 2013	9/1/14	No
3	15	3/1/14	New Construction	9% - 2014	9/1/14	No
4	25	1/1/15	Acquisition	4% - 2014	7/1/15	No
5	10	7/1/15	Acquisition	4% - 2015	12/1/15	No
6	75	7/1/15	Rehab	FHA	12/1/15	No
Total	145	-	-	-	-	-



PHASING: KEY POINTS

- Milestones apply within the context of phases
- Primary use in large projects with demolition, new construction and 9% credits
- Should increase use of RAD in high cost markets
- Can be used for locking-in 2012 rents in staged off-sites (transfer of assistance)

