



Major Accomplishments with 4% LIHTC

Andrew DeCoux
Director, Multifamily Financing
adecoux@ihda.org
312.836.5355

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Multifamily Financing Resources

- Lender with a strong “social purpose” to meet IHDA’s mission
- Gap Financing
- First Mortgage Lending
 - “One-Stop Shop” Approach
- Primary administrator of regulated affordable housing in IL
 - Illinois Affordable Housing Trust Fund
 - HOME Investment Partnership Program
 - Tax-exempt or taxable bonds
 - 2010-2014 \$65 million per year (average)
 - 2015 \$305 million
 - 2016 \$205 million
 - 2017 \$200+ million (pipeline)
 - Illinois Affordable Housing Tax Credits
 - Federal Low Income Housing Tax Credits



Multifamily Financing

4% Deal Structures & Challenges

General 4% Financing Products:

- IHDA Conduit Bond Program
- IHDA Risk Share Bond Program / Public Bond Sales
- Agency Lending
 - Freddie TEL
 - FNMA M.TEB / FNMA SIFMA Floating Rate Note (FRN)
- FHA Loans
- Bank Private Placements
- IHDA / Federal Financing Bank (FFB) / One Stop PLUS
- IHDA Credit Advantage

Challenges

- Limited subordinate resources to fill gaps
- Rising interest rates
- Tax reform uncertainty & LIHTC pricing



Multifamily Financing IHDA Deal Structures

IHDA Multifamily Financing Products:

- Conduit Bonds / Loans
 - 4% Low Income Tax Credit (LIHTC) transactions using tax-exempt bond or loan structures
- Bonds
 - Tax-exempt / taxable executions with or without FHA Risk Share insurance
- One Stop PLUS
 - 4% LIHTC deal combined with an IHDA tax-exempt construction loan and a Federal Financing Bank (FFB) Risk Share permanent taxable loan
- FFB Mortgage
 - Immediate Funding taxable permanent Risk Share loan (refi / mod rehab)
 - Forward commitment (new construction / substantial rehab)
- Credit Advantage
 - Taxable IHDA construction to permanent loan
 - Permanent loan only with forward commitment
- Bridge Loans
 - IHDA provides taxable construction bridge loan
 - Can be combined with other products



First Mortgage Lending

- Construction to permanent loan for 4%, 9%, acquisition, and refinancing of affordable housing developments.
- Loans are credit enhanced w/ HUD Risk-Sharing (Section 542(c)).
 - **Federal Financing Bank (FFB) Mortgage:**
 - Partnership between U.S. Treasury, HUD & IHDA
 - Terms up to 40-years (fully-amortizing)
 - DSC as low as 1.11 & LTV as high as 90%
 - Rate as of 3/6/2017 (35-year): 4.56% (all-in)
 - **Credit Advantage & Affordable Advantage Mortgages:**
 - Provide construction and permanent loan financing for LIHTC projects, stabilized new construction, refinance, or acq/rehab
 - Maximum loan amount of \$10 million
 - DSC as low as 1.11 & LTV as high as 90%
 - Terms up to 40-years (fully-amortizing)
 - Rates as of 3/6/2017 (35-year): 5.34% (immediate) 5.89% (24-month forward)



IHDA One Stop PLUS

- Fixed rate terms with a long-term, fully-amortizing loan
- FFB permanent Risk Share loan funds at initial closing and cash collateralizes a short-term IHDA tax-exempt loan
- Underwriting Terms:
 - Non-recourse
 - DSC as low as 1.11 & LTV as high as 90%
 - Hard costs up to \$40,500/unit with one major system replacement
 - 35-year term and amortization
 - 10-year lockout, then fully pre-payable
- Must meet minimum LIHTC restrictions for duration of loan term:
 - 20% of units at 50% of AMI, or
 - 40% of units at 60% of AMI



Additional Information

- IHDA Loan Products & Rates:
<https://www.ihda.org/developers/multifamily-financing-programs/first-mortgage-loan-programs/>
- IHDA Bond Programs:
<https://www.ihda.org/developers/multifamily-financing-programs/bond-programs-2/>
- LIHTC:
<https://www.ihda.org/developers/tax-credits/>
- IHDA Subordinate Resources:
<https://www.ihda.org/developers/soft-funds/>
- IHDA Developer Resource Center:
<https://www.ihda.org/developers/dev-resource-center/>



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