



The Case for Mixed-Income Housing

June 2018

Experience & Background

- ❖ Managing Principal & Co-Founder, Generation Development Group
- ❖ 12+ years experience in real estate development, finance and acquisitions
- ❖ Responsible for the financing, development, and/or construction of over 1,800 units in multiple states in US territories
 - Total development cost of approximately \$500 million
- ❖ BA & MBA, Florida A&M University; MsRED, Columbia University

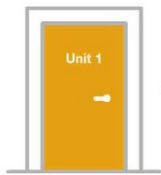
Omnibus Spending Bill – The Outcomes

- ❖ Tax Reform Lower - corporate tax rate reduction is negative for affordable housing
 - estimated reduction of 235,000 fewer rental units over the next decade)
 - HUD proposal of over \$9BN in budget cuts
- ❖ Includes Income averaging – Allows for a new set-aside option.
 - ❖ At least 40% of units in a development must be rent restricted and have household income limits that on average are at or below 60% of AMI
 - ❖ Income limits are designated in 10% increments from 20% to 80%

Income Averaging – An Example

Designating Units

- Must be **20%, 30%, 40%, 50%, 60%, 70% or 80% (both rent and income)**
- Can reach **60% average** in a number of ways
- **No federal requirement** to designate a pro-rata share among bedroom sizes
- Agencies could adopt policies that are more restrictive



1 unit at 20 percent allows...

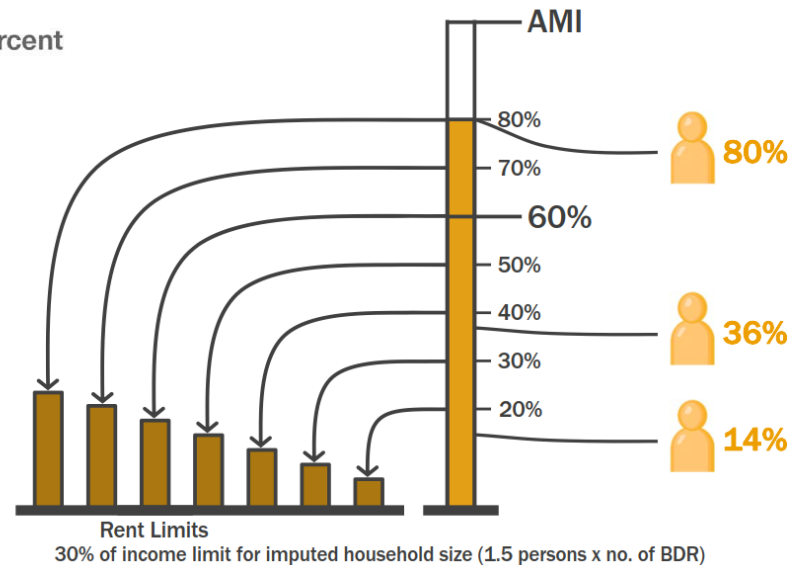


2 units at 80 percent



OR
4 units at 70 percent

Minimum Set-Asides



Case Study – The Exchange

- ❖ 130 units
- ❖ Winder, GA
- ❖ 12 acres
- ❖ Focus on housing educators
- ❖ Partnership with Barrow County School Board and Winder Housing Authority
- ❖ Financing Structure
 - Tax Exempt Bonds
 - HOME Loan
 - 4% tax credits and Georgia State Credits
 - Deferred developer fee



Questions?
