

# SOURCING 9% LIHTC DEALS

## Rebuilt a Stagnant Development Pipeline for an Iconic Maryland Affordable Housing Development Firm

### Problem

The Shelter Group created or acquired over 6500 affordable housing units since it began investing in this asset class in 1989. In the three (3) years prior to Jeff's arrival, the Shelter Group received funding for the creation of 58 new affordable units, which represented a drop off in its historically robust pace of production.

If the development pipeline was not reinvigorated, the Shelter Group was faced with making a major decision on if it should to continue to develop, own and operate one of its core investment assets, affordable housing. Discontinuing this activity would be a complicated, time consuming and highly disruptive endeavor.

### Solution

In 2012, with no prior real estate development experience, Jeff was hired by the Shelter Group to rebuild their affordable housing development pipeline. He was hired because of his land design background, Johns Hopkins Real Estate education and the personality traits identified in testing, indicating him being a strong communicator and a builder of consensus.

Jeff quickly learned the negotiating techniques necessary to secure rights to purchase land, governmental support, community support and during his 30 months at the Shelter group, applied those skills to enable the purchase three (3) large parcels of land that would eventually support the development of 349 affordable housing units, representing a 600% increase of production as compared to the three year prior to his arrival.

Jeff also quickly learned the financing, compliance, deal-structuring, and legal issues related to affordable housing and real estate development and applied those skills to receive competitive 9% LIHTC funding (175 units) for two (2) projects while he was at Shelter. The balance of the 349 units associated with the land that Jeff secured, were funded after his departure from the firm, and after the Shelter group sold the deals to other firms as it eventually decided to divest itself of affordable housing.

## Outcome

Jeff's efforts while at the Shelter Group yielded three completed apartments buildings, and one moving through the permitting and entitlement process for a total of 349 units. The creation of these communities provided fee and cash flow to the developers, return to the equity investors, support of affordable housing missions to local governments, and most importantly, high quality, safe, clean, energy efficient and affordable housing for the 349 families, making a positive impact in their lives.

### Bladensburg Commons

- 100 Unit Mixed Income Apartment Community
- Bladensburg, Maryland
- 9% Low Income Housing Tax Credits
- Funded in 2013 while Jeff was at the Shelter Group



### Reserve at Somerset Commons Phase I

- 75 Unit Mixed Income Apartment Community
- Princess Anne, Somerset County Maryland
- 9% Low Income Housing Tax Credits
- Funded in 2013 while Jeff was at the Shelter Group
- Surplus land available for future projects.



### Park View Aspen Hill

- 120 Unit Mixed Income Senior Apartment Community
- Aspen Hill, Montgomery County, County Maryland
- 9% Low Income Housing Tax Credits
- Funded in 2016 after Jeff was at the Shelter Group
- Pennrose acquired funded deal from Shelter and developed the project.



Credit: Sakinah Linder

## Reserve at Somerset Commons Phase II

- 58 Unit Mixed Income Apartment Community
- Princess Anne, Somerset County Maryland
- 9% Low Income Housing Tax Credits
- Enterprise purchased the land from Shelter
- Enterprise received funding in 2018, after Jeff was at the Shelter Group
- Utilized surplus land from Phase I



Credit: Enterprise Homes

## **Do you want to develop affordable housing in Maryland?**

With a proven track record of sourcing affordable housing deals in Maryland, I can help you build your pipeline and execute by augmenting your in-house capabilities to:

1. Find Deals.
2. Study the Feasibility of deals you have found.
3. Manage the execution and assembly of funding request packages to Maryland DHCD, Local Governments, Federal Home Loan Bank, HUD and other agencies
4. Manage the execution and assembly of PILOT and other tax relief requests.
5. Pursue RFP's of public land offerings.
6. Manage and execute the design, entitlement and construction management of your projects.

Please contact me to discuss your project or ideas to see if there is a way for me to help you create and develop your affordable housing projects.