



The Team Approach to Funding Affordable Housing?

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President and CEO

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FSL Mission

To provide home and community-based services and develop energy-efficient, affordable housing to promote health, independence and dignity for all.



FSL Vision

A caring community that promotes the health and well-being of all.



We are a non-profit organization working to improve the quality of life for vulnerable adults and those that care for them.

We are doing this by providing services in 4 key areas, across TWENTY SEVEN different programs.

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A Safe Home



Nutritious Meals



Health & Wellness



Caregiver Support

FSL Leadership

Board of Directors
Enduring Vision

Senior Leadership Team
Manage Risk
Continuity



FSL Real Estate Team Leadership

Steve Hastings – Chief of Real Estate

John Barraclough – Portfolio Director

Carolyn Campbell – Housing Dir.

Krista Swartz – Single Family Homes Dir.

Joe Barbieri – General Contractor

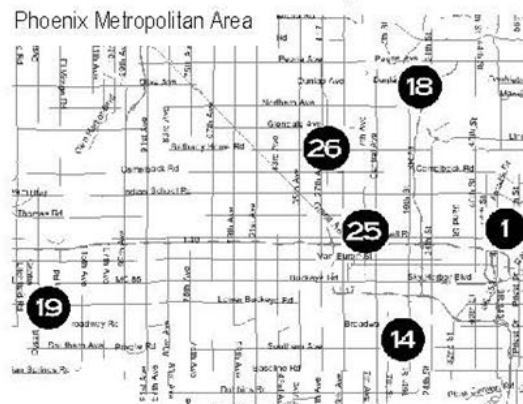
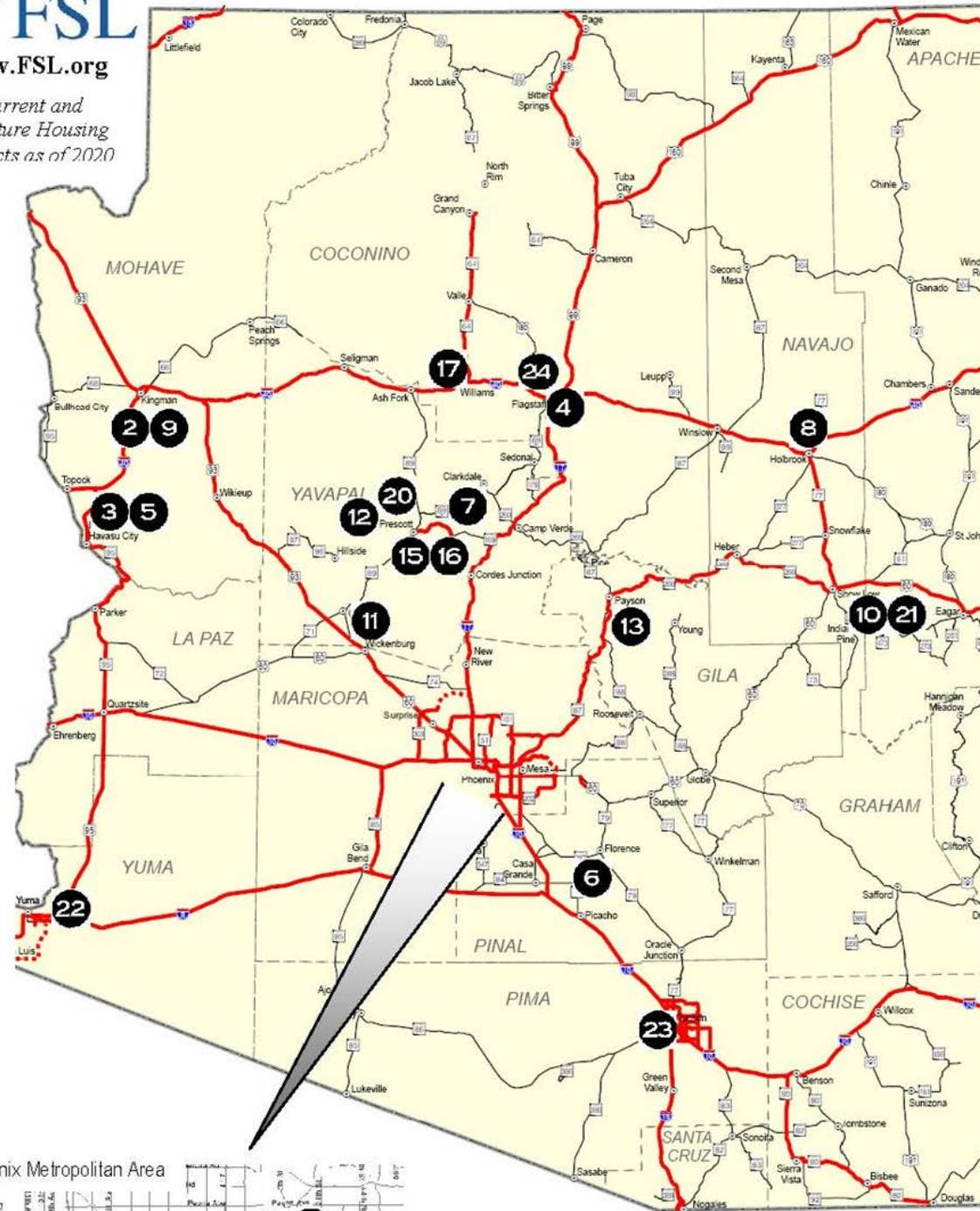




www.FSL.org

Current and
**Future Housing
Projects as of 2020

FSL - Building Healthier Communities



- 1 = 29 Palms - 21 Units
- 2 = Amy Neal Retirement Center - 24 Units
- 3 = Becket House Apartments - 50 Units
- 4 = Flagstaff Senior Meadows - 60 Units
- 5 = Havasu Hills Apartments - 50 Units
- 6 = Heritage Glen - 28 Units
- 7 = Highland Square Apartments - 60 Units
- 8 = Holbrook Apartments - 24 Units
- 9 = Kingman Heights - 33 Units
- 10 = Mountain Village Apartments - 32 Units
- 11 = Padua Hills Apartments - 25 Units
- 12 = Passport Apartments - 4 Units
- 13 = Pineview Manor Apartments - 29 Units
- 14 = Village on Roeser - 116 Units
- 15 = Spring Valley Manor - 20 Units
- 16 = Spring Valley Terrace - 20 Units
- 17 = St. Agnes Apartments - 25 Units
- 18 = Sweetwater Gardens - 24 Units
- 19 = Vianney Villas - 50 Units
- 20 = Vista Apartments - 8 Units
- 21 = White Mountain Villas - 32 Units
- 22 = Yuma Senior Terraces - 60 Units
- 23 = Marist on Cathedral Square - 83 Units
- 24 = **Village on Humphrey - 70
- 25 = **Acacia Heights - 78
- 26 = **29 Palms II - 25



Safe & Attainable Housing

More than 7M low-income families do not have an affordable place to call home

- 25 Multi-Family Communities (incl. Padua Hills)
- 286 Single-Family Homes built or rehabbed (Neighborhood Stabilization Program, South Phoenix Village)
- 27 Lots being developed (Including 16 lots in Casa del Sol - Palm Drive & North Tegner Street)
- Home Improvements programs
 - Weatherization
 - Accessibility Modifications

Housing with Affordable Rents

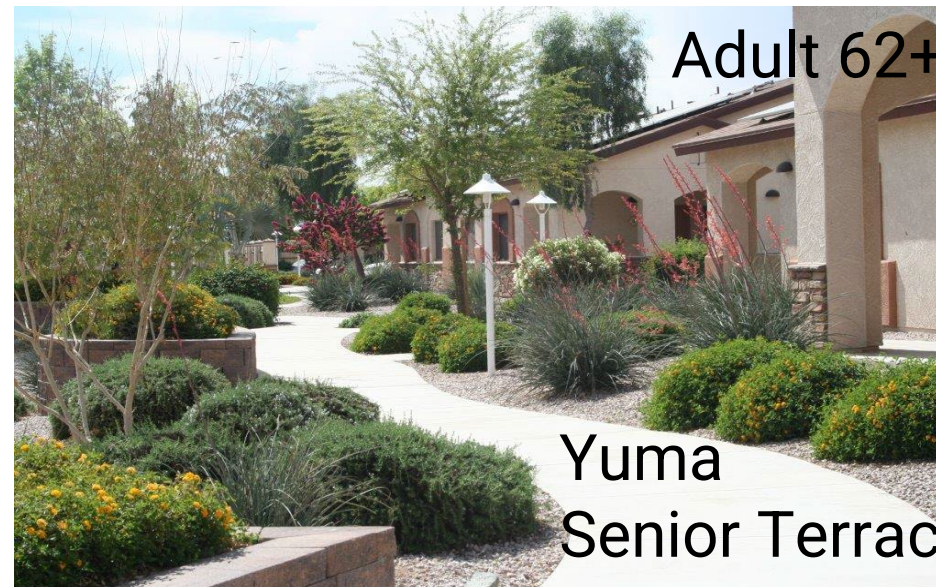
At FSL our goal is to provide safe, affordable and energy-efficient housing for families and individuals of all ages. FSL offers single-family homes for sale and affordable apartments for rent.



White Mountains Villas

Show Low

Adult 62+



Adult 62+

Yuma Senior Terraces



Flagstaff Senior Meadows

Adult 62+



29 Palms
Phoenix

Inter-generational Adults with Disabilities

Housing with Subsidized Rents

FSL's rental housing program provides appropriate home choices for seniors and individuals with mobility and specific ability requirements.



Lake Havasu

Adult 62+



Payson



Kingman

Single Family Homes

We provide safe, affordable and energy-efficient housing for families of all ages. FSL builds single-family homes for sale and provides down payment and closing cost assistance.



South Phoenix
Village



Green Multi-Family Housing

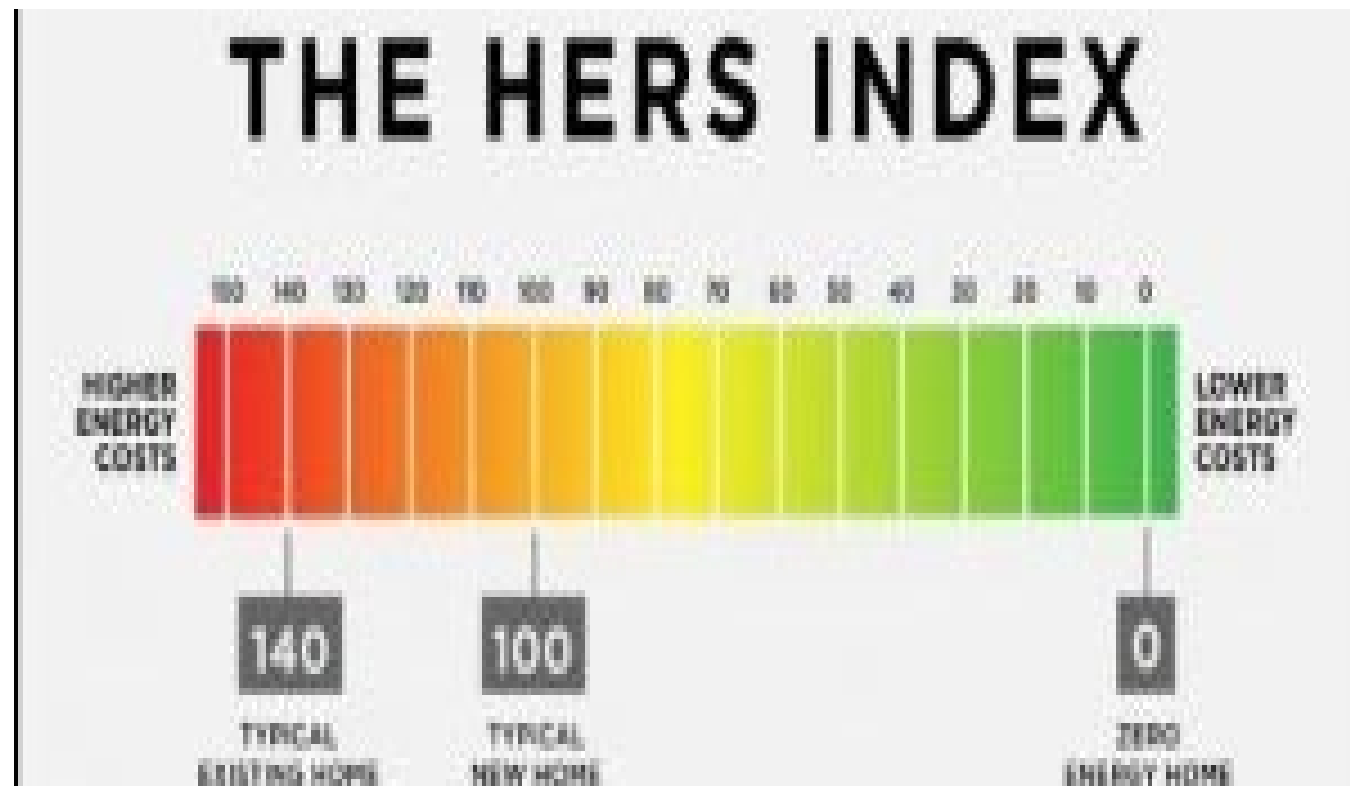
One key factor in independent living is making the home energy efficient. FSL Home Energy Solutions' mission is to improve residential energy efficiency through training, consulting and program development and administration.



FSL Energy Efficient Properties

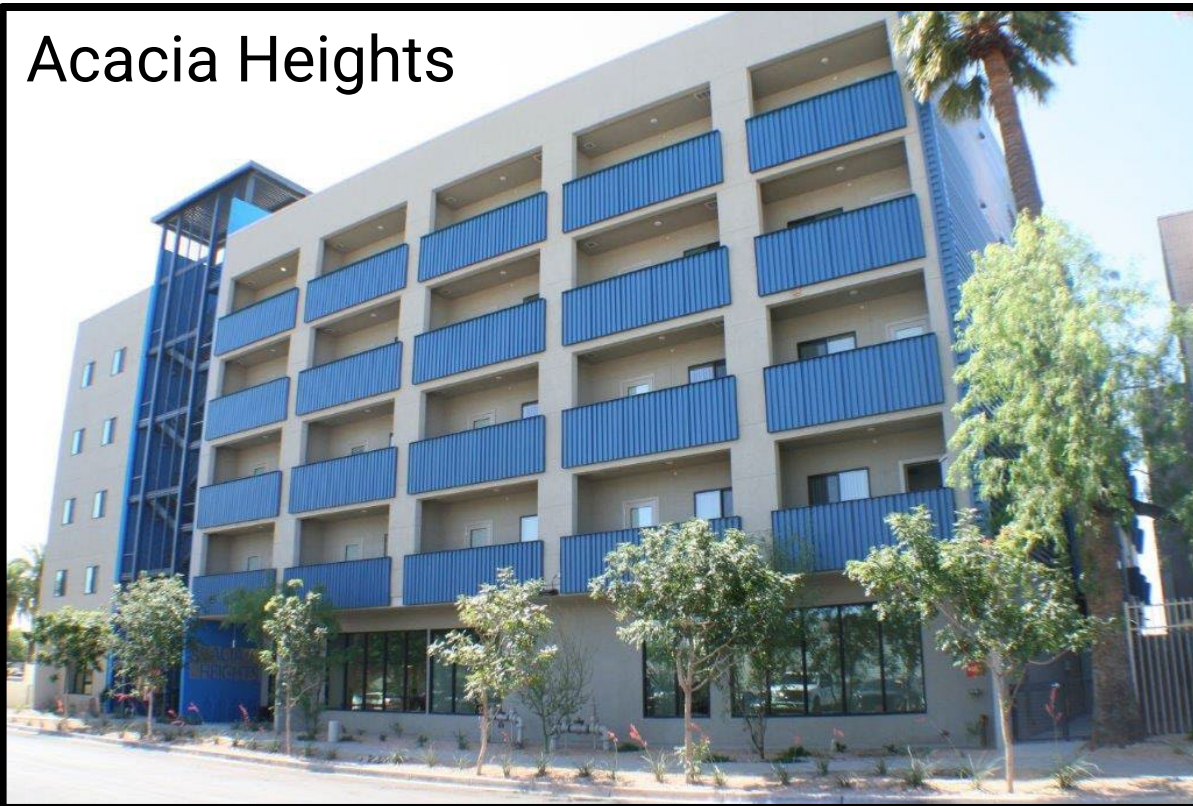
FSL Multi-Family Standard is LEED Gold

FSL Single-Family Standard is HERS Rating of 50 or less



There's More . . .

FSL is constantly moving forward, innovating, renovating and carving out the path for low-income affordable housing for seniors and people with disabilities.



Spectrum Courtyard

Apartments with Affordable Rents

- Urban and rural locations across the state of Arizona
- 981 units in 25 communities
- Serving older adults and adults with disabilities
- Income restrictions apply
- Studios, 1- and 2-bedroom units
- Utilities included



Marist on Cathedral Square - Tucson

Funding

FHLBSF AHP: \$1,750,000

LIHTC: \$20,087,991

GO Bonds: \$604,989

Rio Nuevo TIF: \$350,000

City Sales Tax Exemption: \$285,000

Mortgage Debt: \$1,042,000

Award Year: 2017



Flagstaff Senior Meadows

- Waitlist: Over 440 households!

- **Funding**

- FHLBSF AHP: \$1,000,000

- Owner Equity: \$596,026

- LIHTC; \$8,720,428

- Award Year: June, 2010



Flagstaff Senior Meadows



Flagstaff Senior Meadows



Flagstaff Senior Meadows



Highland Square

- Funding

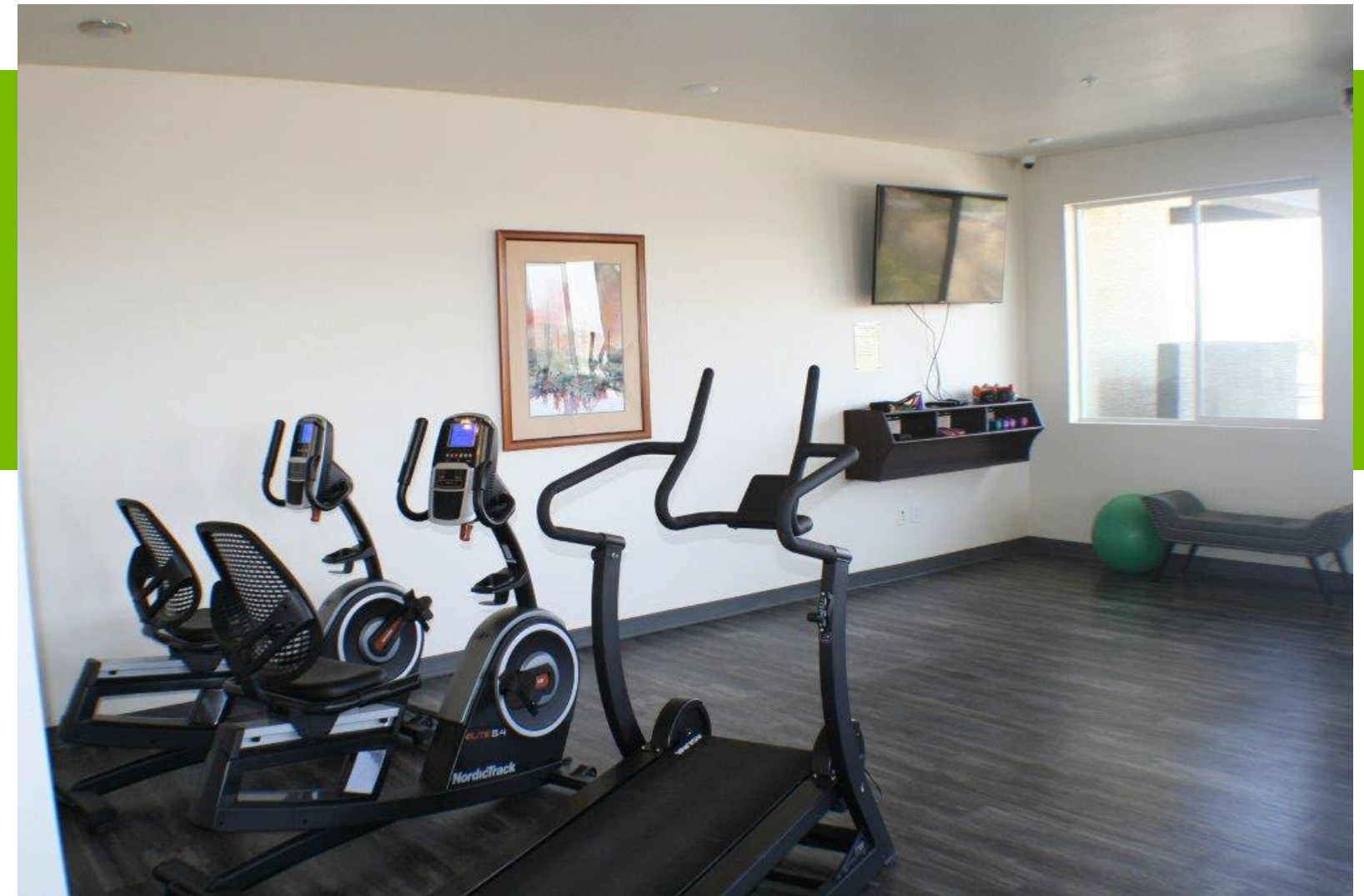
- FHLBCH AHP: \$360,000
- USDA RD: \$1,000,000
- USDA Subsidies: \$ Priceless
- LIHTC: \$7,166,000
- HOME: \$750,000
- Award Year: June, 2017



Highland Square



Highland Square



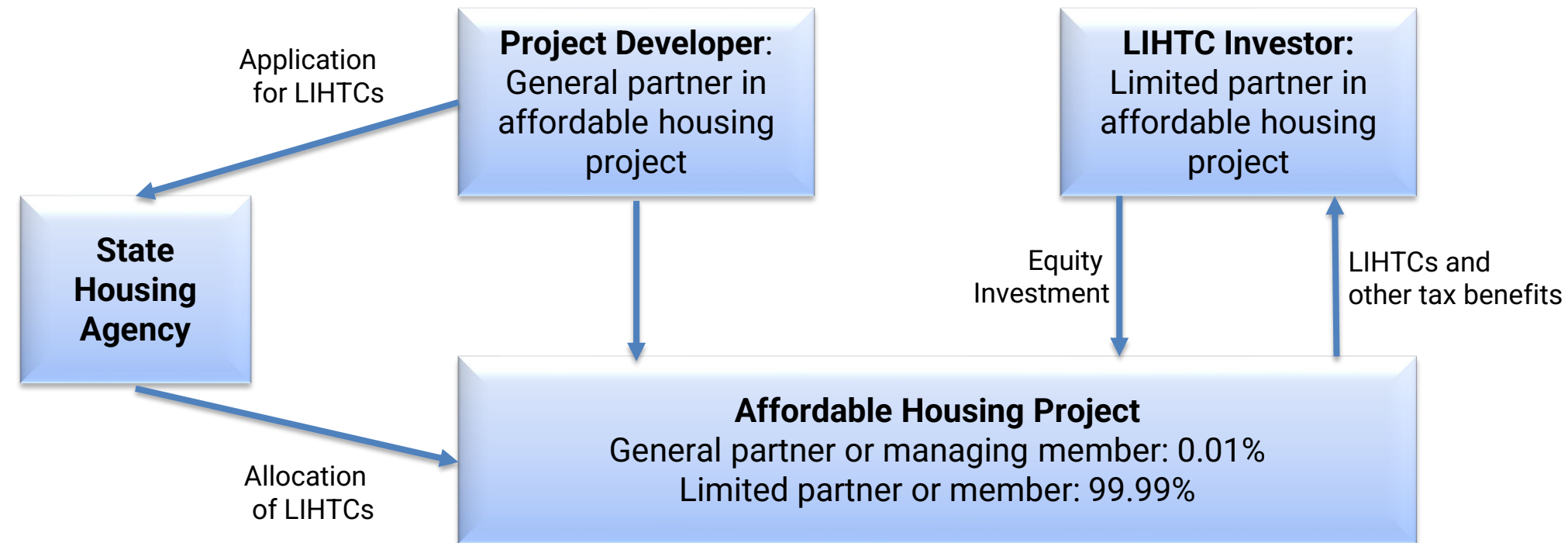
Source of Low Income Housing Tax Credit Funding

- **Funding flows from the IRS under Section 42 of the Code created in 1986**
- **Program incentives for developers to produce affordable housing**
- **Credits are allocated by state population**
Arizona receives enough to produce 16 projects per year
- **Program is administered by State Housing Agencies**
- **Program guidelines published in the Qualified Allocation Plan (QAP)**

ADOH - State Housing Agency Annual Allocation Cycle



Typical Legal Structure of Direct Investment in LIHTC-Financed Project



2022 Income Limits and Maximum Rents in Phoenix and Tucson Metro

FSL Charges Rents at 30%, 40%, 50% and 60% of AMI



Arizona
Department
of Housing

MSA/County	%	(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
							Rent	Rent	Rent	Rent	Rent
Phoenix (Maricopa/Pinal)	60	\$37,140	\$42,420	\$47,700	\$52,980	\$57,240	\$928	\$994	\$1,192	\$1,377	\$1,537
	50	\$30,950	\$35,350	\$39,750	\$44,150	\$47,700	\$773	\$828	\$993	\$1,148	\$1,281
	40	\$24,760	\$28,280	\$31,800	\$35,320	\$38,160	\$619	\$663	\$795	\$918	\$1,025
	30	\$18,570	\$21,210	\$23,850	\$26,490	\$28,620	\$464	\$497	\$596	\$688	\$768
	20	\$12,380	\$14,140	\$15,900	\$17,660	\$19,080	\$309	\$331	\$397	\$459	\$512

Compliance Period

Tax credits *earned* over initial 15-year compliance period (the “Compliance Period”) (IRC §42(i)(1))

Acceleration ▫ Tax credits *claimed* over 10 years (IRC §42(f)(1)) ▫ Attractive to investors

Encourages exit after Year 10 and before end of Compliance Period

Extended Use Period

Requires adherence to LIHTC rules for *at least* 15 years beyond end of initial Compliance Period

Critical Partnership Agreements

Right of First Refusal for NP GP entity

Buyout option to purchase investor's partnership interest

Put Option: Obligation to purchase investor's interest

Other restrictions in partnership, lender or regulatory agreements that affect exit

Attainable Housing Financing

Hopes and Dreams

- **Expanded 9% LIHTC Program**
- **Increase in 9% LIHTC Credit Value**
- **Improved 4% LIHTC Program**
- **Expansion of FHA Guarantee Program**
- **Infrastructure and New Federal Funding for Housing**
- **More State Funding like Housing Trust Funds**



Thank You

**We all need to find ways to support affordable
rents and mortgages.**

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