



HOUSINGNEXT

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Housing Investment Funds

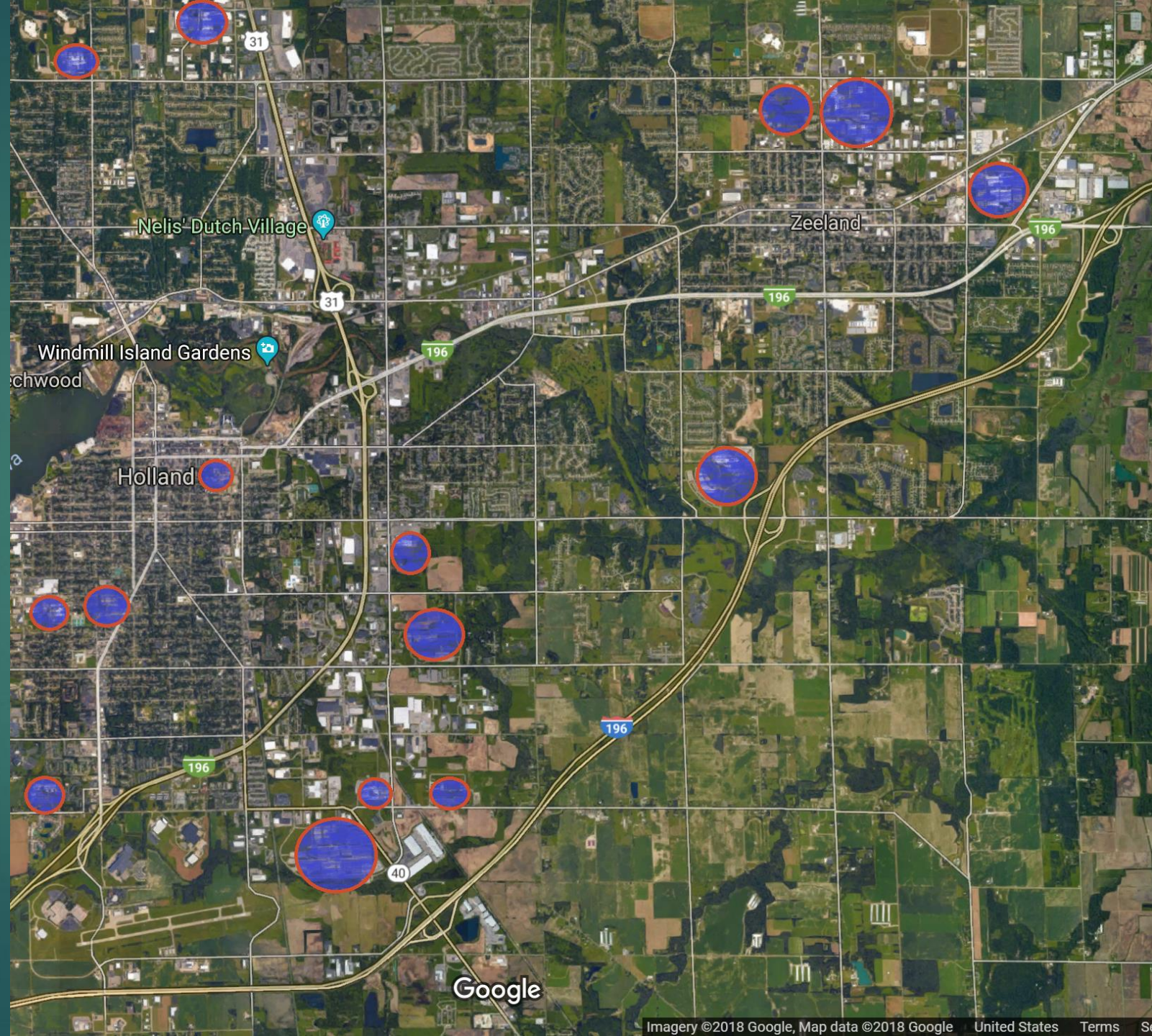
WEST MICHIGAN EXAMPLES -
2020

Holland / Zeeland Housing Fund

- ▶ Originally Intended as \$10M Gap Fund
- ▶ Created a C-Corp in June, 2019 with 6 Investors, seed funds of \$1.1M
- ▶ Early focus on property Acquisition & Predevelopment

Cast the Vision

- ▶ 15 Largest Employers
- ▶ ~9,500 skilled and unskilled jobs
- ▶ Largest demographic in need of housing choice in the Holland/Zeeland market



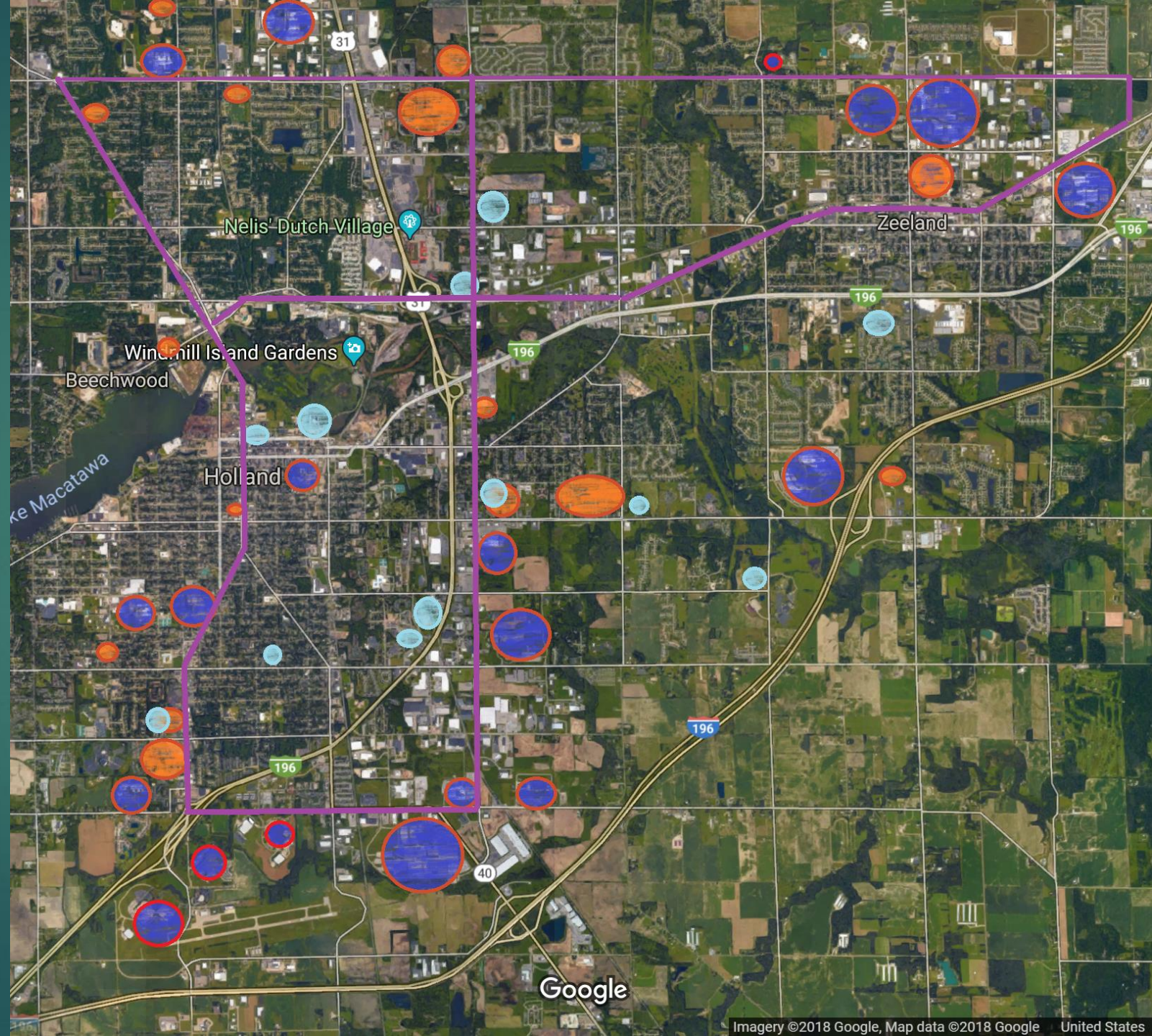
Ottawa County Housing Needs Estimates (2017 to 2022)

Housing Segment		Number of Units*	Priority
Rentals	Low-Income Rental Housing (<\$625/Month Rent)	~1,515	High
	Affordable Workforce Rental Housing (\$625-\$1,249/Month Rent)	~1,065	High
	Market-rate Rental Housing (\$1,250/Month Rent)	~818	Moderate
For-Sale	Entry-Level For-Sale Homes (\$100K-\$149K)	~771	Moderate
	Moderate-Income For-Sale Homes (\$150K-\$249K)	~1,659	High
	High-Income For-Sale Homes (\$250K+)	~927	High
Senior Care	Senior Care Housing (Assisted Living)	~524 (Beds)	Moderate
	Senior Care Housing (Nursing Care)	~191 (Beds)	Low

*Number of units assumes product is marketable, affordable and in an appropriate location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

Cast the Vision

- ▶ Need 2,500 low/mod rental units
- ▶ Need 2,500 mod/high income homes for-sale
- ▶ Potential to satisfy 100% of demand within 2 mile radius of downtown Holland or downtown Zeeland. Within ¼ mile of transit lines.



Waverly & 24th

- ▶ Proposed Mixed-Income Development along existing transit corridor.
- ▶ 236 Units – combination of apartments, townhomes and single family
- ▶ Needs \$4.5M Gap Loan



PROPOSED MASTER PLAN

Westshore Sprawl Repair

- ▶ Proposed Mixed-Income Development
- ▶ 416 Units – Senior, workforce, townhomes & single family
- ▶ 3+ Phases, \$4.5M Gap Financing each phase



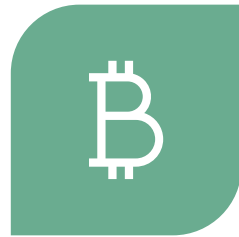
Tax-Exempt Bond Investment



MSHDA BOND
FINANCING



AA+ CREDIT
RATING



NO-RISK
INVESTMENT



40 YEAR TERM



2.5% RETURN

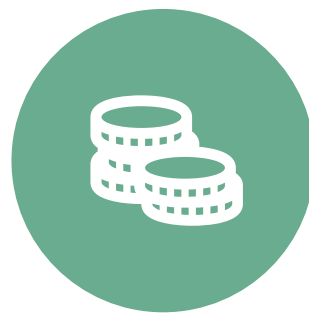
Direct Equity Investment



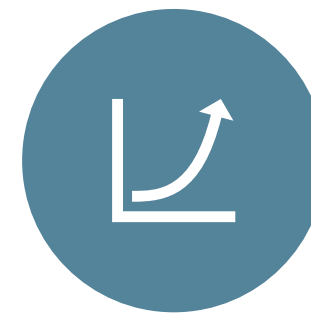
DIRECT PARTNER
IN THE PROJECT



HIGHER RISK
EXPOSURE



7-10 YEAR
INVESTMENT TERM



5-8% RETURN

Intermediary Loan Fund



CDFI Partnership



Risk Limited
Exposure



10-15 year Loan
Term



Experienced
Third-Party
Lender



3% Avg Return

Implications of COVID-19

- ▶ Traditional financing is less certain over the next 6-12 months as many banks have reduced new originations.
- ▶ Employer investors are currently laser focused on re-starting manufacturing and redefining business as usual.
- ▶ Philanthropic partners are most concerned about immediate and emergency response investments to keep people housed.

Questions?

