

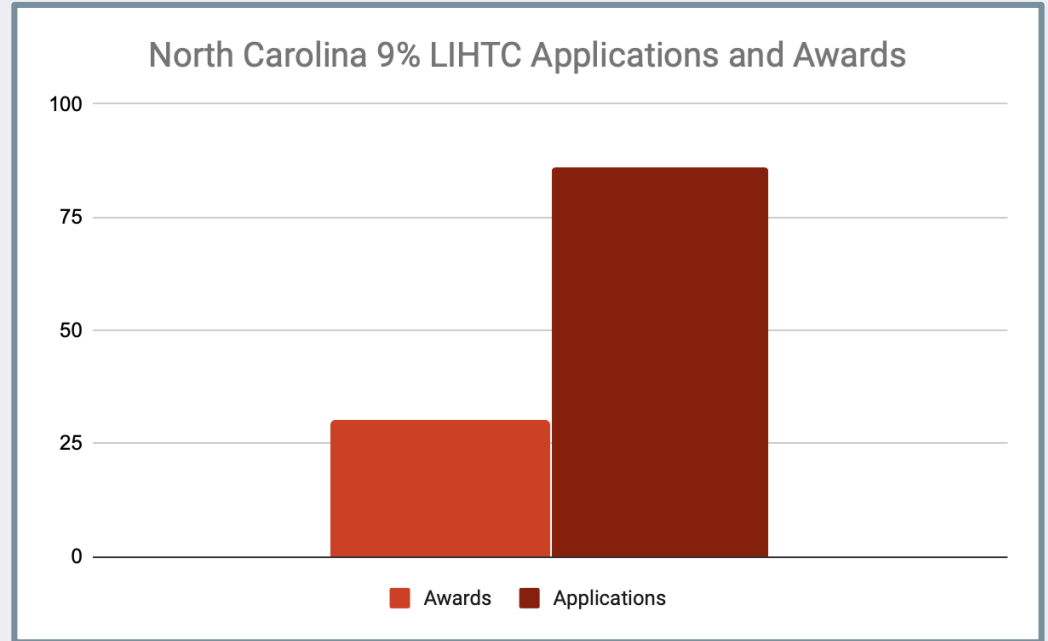
# Affordable Housing Summit Innovation Corner

## *Mixed Income Public Development*

*Sheree Bouchee, Housing Director  
Center for Public Enterprise*

# Today's Big Constraints

- Limited Resources
  - Low- Income Housing Tax Credits
  - Vouchers
  - Tax- Exempt Bond Volume Cap
- Production limited by market conditions



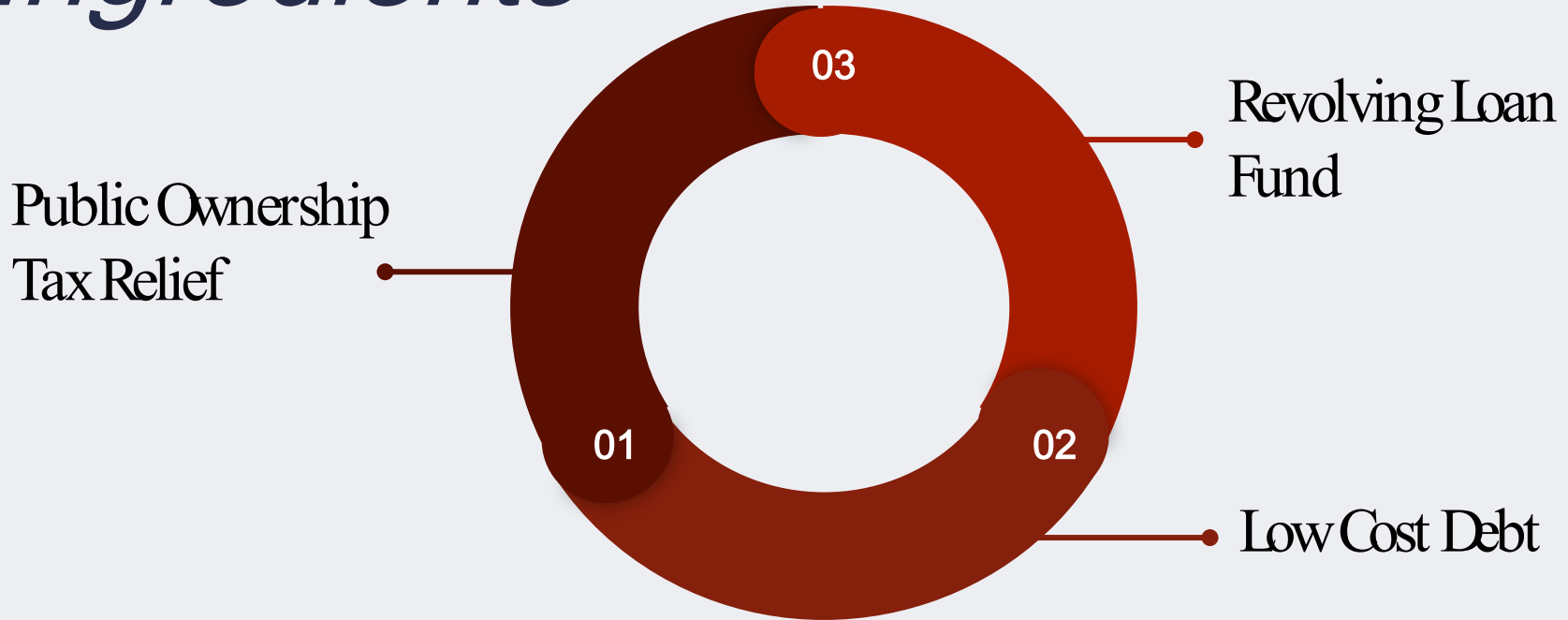
# Mixed- Income Public Development



# Innovation Across the Nation



# Mixed- Income Public Development *Ingredients*



# Public Ownership Benefits

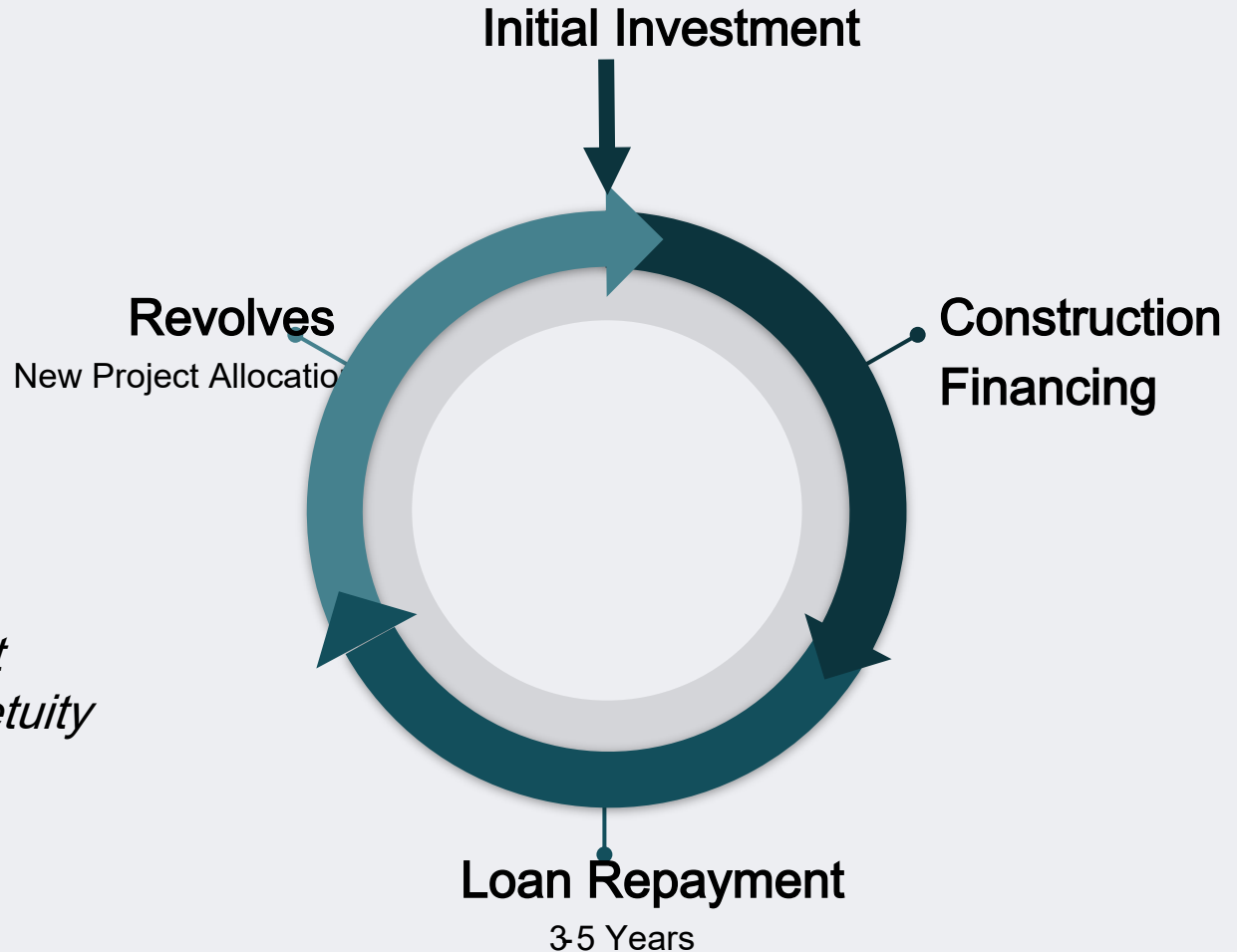
## Short Term

- Subsidiary structure
- Tax relief
- Powers and authorities

## Long Term

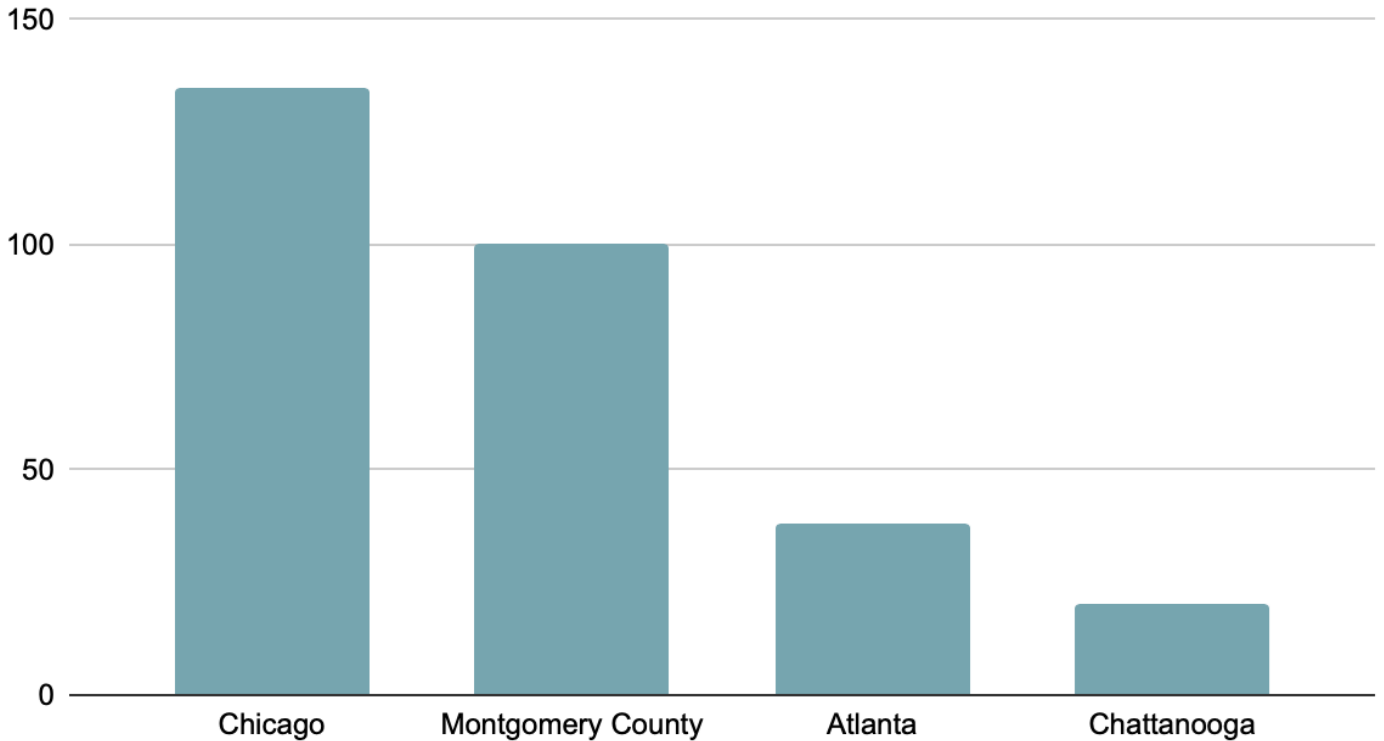
- Ongoing affordability
- Strengthen portfolio
- High performance asset
- Leverage expanded funding opportunities

# Revolving Loan Fund



- *Onetime investment*
- *Revolves into perpetuity*
- *Investment options*

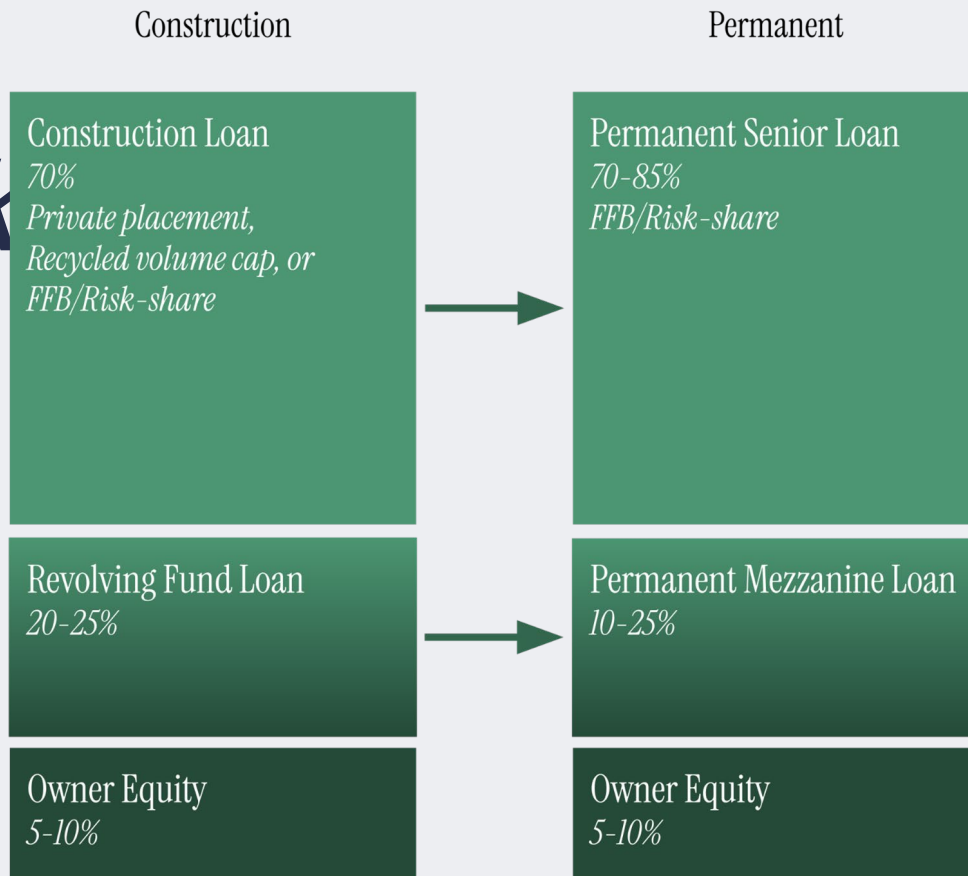
# Revolving Loan Fund Levels





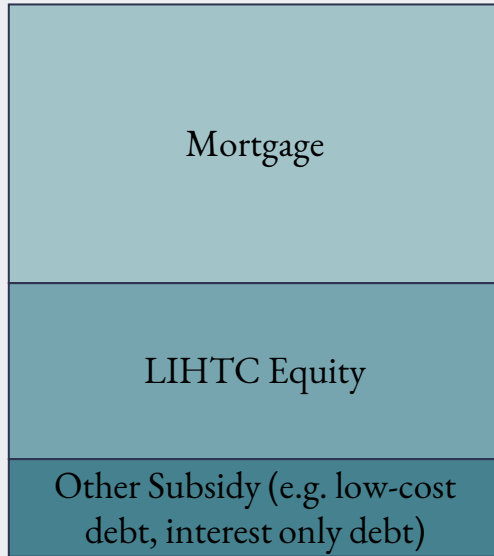
# Low Cost Debt

## *Capital Stack*

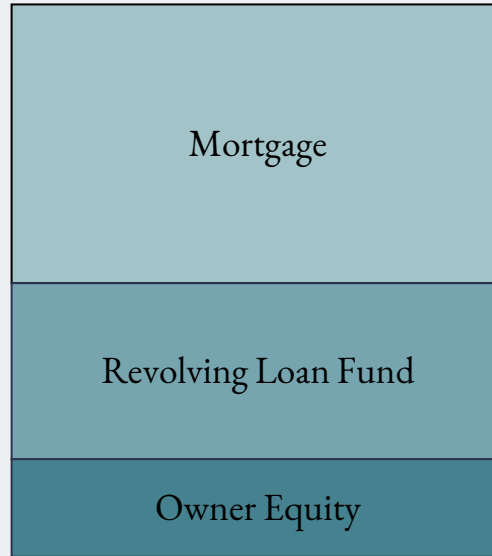


# Capital Stack Comparison

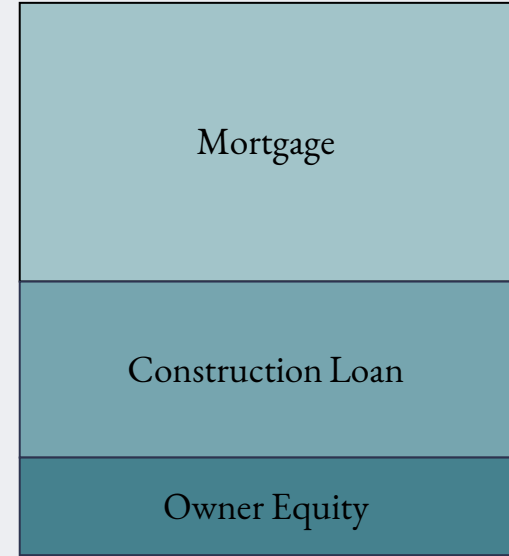
**LIHTC Project**



**Mixed Income**



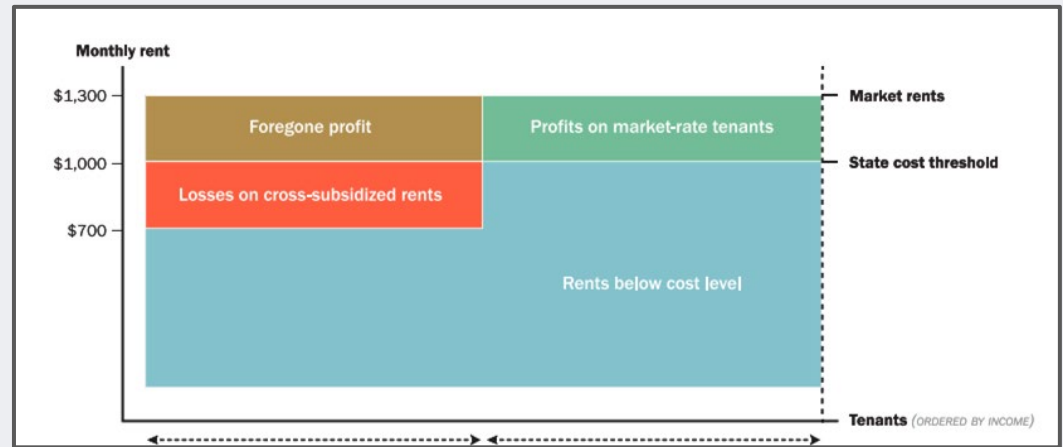
**Market**



# Another Kind of Subsidy: Cross Subsidy

- Income Ranges
  - very low- income (50%AMI)
  - low- income (65%+ AMI)
  - market rate
- Market rate rent reinvestment
  - Subsidy adjustment with increased cash flow

Simplified cross- subsidy model



# Pipeline Options

Stalled Market Rate

Identify stalled and fully entitled market rate projects.

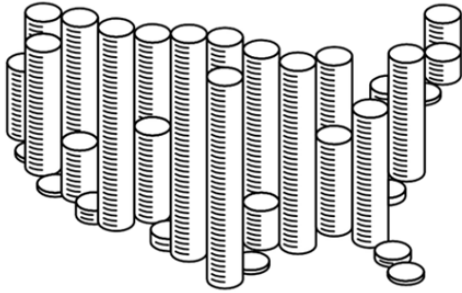
Publicly Owned Land

Identify underutilized city owned land.

LIHTC Overflow

Provide an off ramp for non- awarded LIHTC projects.

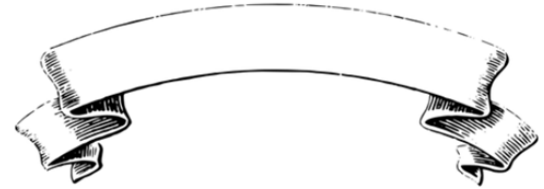
# Mixed- Income Public Development



**\$283 million** of public investment in revolving loan funds for construction finance



**6,000+** units built or in project pipelines, at mixed-income



**\$0 of tax credits or volume cap** used in deal structures

# Example Projects

## *Housing Opportunities Commission*



### The Laureate (Shady Grove)

The first new development to utilize HOC's Housing Production Fund, The Laureate is a 268-unit, **transit oriented community in Rockville, just steps from the Shady Grove Metro Station**. Construction was funded without LIHTC equity or long-term funding from the County's housing trust fund. The mixed-use building also houses local-serving retail and HOC's Upcounty Customer Service Center.

268 Units

25% at 50% AMI, 5% MPDU

Opened June 2023

Partners: EYA & Bozzuto

Uses	Amount
Acquisition Costs	\$2.3M
Construction Costs	\$98M
Financing Costs	\$15M
Reserves	1.8M
Developer Fee	\$5.1M
<b>Total</b>	<b>\$122M</b>
Market Units	188
Affordable Units	80
<b>Total</b>	<b>268</b>

Sources	Construction	Permanent
Senior Debt	\$99M	\$99M
Equity	\$8M	\$8M
Revolving Loan	\$15M	\$0
Mezzanine Loan	\$0	\$15M
<b>Total</b>	<b>\$122M</b>	
AMI Target		Units
50%		67
65%		13
MKT		188



# Example Projects

## *Housing Opportunities Commission*



### **Hillandale Gateway (East County)**

A new mixed-use, mixed-income community located on the site of Holly Hall Apartments, a former 96-unit Public Housing community in Silver Spring. Hillandale Gateway will consist of 155 age-restricted residential units, 308 multifamily apartments, retail and parking. Both buildings will be built to Passive House standards. The senior building is planned to be **Maryland's first zero net energy passive house residential building.**

463 Units

25% at 30-50% AMI, 28% at 60-80%

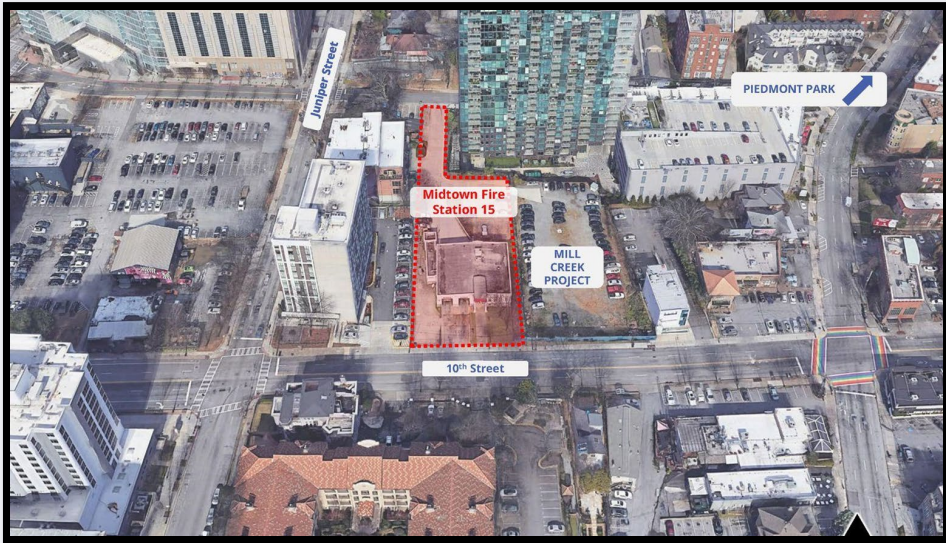
Opening Fall 2026

Partner: Duffie Companies



# Example Projects

## *Atlanta Urban Development Corporation*



Midtown Fire Station, Atlanta.



Thomasville Heights, Atlanta



# Implementation Steps

Establish Revolving Loan Fund

Institutional framework and governance design

Financial structure design

Project - level financial modeling

Pipeline development