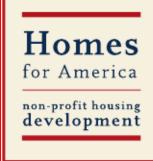
Homes for America, Inc.



Homes for America, Inc.

- Nonprofit Developer, Owner and Service Provider in the Mid-Atlantic states of Delaware, Maryland, Pennsylvania and Virginia
- 5,500 units in 70 communities
- Portfolio of family, senior and special needs housing

Long Term Affordability without Rent Subsidies

It takes more than soft debt.

Key approaches:

- Maximize equity and minimize debt identify sites in Difficult Development Areas (DDA) or Qualified Census Tracts (QCT) or opportunity areas if the State basis boost is provided
- Work in jurisdictions that provide deep payments in lieu of real estate taxes (PILOTS)
- Maximize green / energy conserving features to realize long term operating efficiencies
- Create nonprofit controlled (not partnership controlled) reserves as a long term resource to hedge rising operating costs

Our Key Principles

- Not all units will be affordable to ELI households
- The benefits from our key approaches will not necessarily be spread equally among all units
- Goal of 20% of units in every property affordable to ELI households with 10% of the ELI units very deeply affordable (15% of AMI)
- Where possible 30-50% of units affordable to households with income between 31%-40% AMI, with balance some mix of affordable up to 60% of AMI

More Key Principles

- In strong markets include some market rate (up to 25% of units) to provide more subsidy to lower income households. Must be true high market, not market rents at or near 60% AMI rents.
- Tenants with vouchers are rented the 50-60% AMI or market rate units and units internally subsidized through the deal structure are reserved for those without vouchers or other rent subsidies

Hudson Townhomes – 48 two, three & four bedroom homes; placed in service summer 2013





Example of PILOT Impact at Hudson

- PILOT payment \$200 per unit per year credit/reduction of real estate tax based on assessment
- Impact if credit applied equally to all units: \$200 / 12 months = \$17 per month less rent on every unit
- Impact if benefit applied to the 10 ELI units: \$200 x 48 units
 = \$9,600 annual subsidy / 10 ELI units / 12 months = \$80
 per month less rent

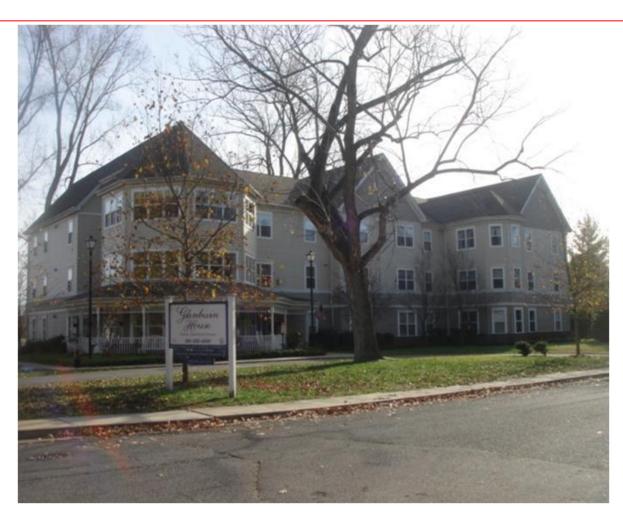
Hudson TH Results

- Tenant Income ranges:
 - 2 Below \$10,000
 - 6 \$10,000 \$14,999
 - 13 \$15,000 \$19,999
 - 12 \$20,000 \$24,999
 - 9 \$25,000 \$35,600
- Zero Residents with HC Vouchers
- HH demographics:
 - 88% single female headed household
 - 3 persons average HH size (compares to portfolio average of 2.2 persons for all general occupancy properties

AMI for County:

\$60,100

Glenburn House - 15 Years Later



Glenburn House - The Platform

- 24 one and two bedroom apartments for seniors
- Maximum income / rent levels 50% AMI, set asides 50% of units for ELI
- PILOT total County tax \$50 per unit per year
- Location QCT (same QCT as Hudson TH)
- Financing LIHTC Equity, HOME funds with \$100,000 amortizing, \$600,000 balance payable from surplus cash
- Placed in service 1999

The Results – 15 years later

- Tenant Income Ranges:
 - 4 Below \$10,000
 - 8 \$10,000 to \$14,999
 - 4 \$15,000 to \$19,999
 - 8 \$ 20,000 to \$27,646

- AMI for County
- \$60,100

- 6 Residents with HC Vouchers
- Today's Rents:
 - 1 Bedroom
 - 2 Bedroom

No Voucher

\$430

\$499

HC Voucher

\$600

\$609