BRINSHORE DEVELOPMENT

Older Adult Housing – Affordable Housing

May 19, 2014
EXPERIENCE AND CAPACITY

- Established 1994
- Based in Northbrook, IL
- 5,000 units in 75 residential communities valued at over $1 billion
- Specializing in mixed income rental and for sale housing
- Focus on partnering with government agencies, housing authorities, institutions and nonprofits
- Active in eight states
BRINSHORE MIXED-INCOME HOUSING DEVELOPMENT TYPES

- Workforce housing with direct job connections
- Artist housing and art center
- Education based housing in partnership with a local high performing school
- Foreclosure mitigation through targeted scattered site acquisition/rehab
- Urban infill to support burgeoning commercial districts
- Public housing reengineering that serves the neediest in a safe and supportive environment
- Supportive housing for veterans and people with disabilities
- Independent seniors housing
- Transit oriented development
- Historic rehabilitation and adaptive reuse
AFFORDABLE HOUSING FINANCE

- Private sources of capital insufficient to produce new construction housing affordable to low-moderate income households
- Project financing gap requires creative public/private partnerships
- Federal, state and local sources
- Project feasibility requires equity or soft sources to fund a significant amount ~ 70-85% of the total development cost to produce low-moderate income housing
LIHTC MECHANICS

- Largest source: Low Income Housing Tax Credits (LIHTC – Section 42 of Internal Revenue Code)
- Requirement to keep housing occupied by households with incomes less than 60% of the area median income
- Competitive 9% and non-competitive 4% LIHTC
- States allocated 9% LIHTC on a formula basis
- State’s Qualified Allocation Plans set priorities for awarding 9% LIHTC
- Competitive application process (Next application due Q1 2015 in Kansas and Q3 2014 in Missouri)
- Specific projects are awarded LIHTC
- LIHTC sold to investors at a percentage of the credit value
- LIHTC equity investment must be used to build the housing
# LOW INCOME HOUSING TAX CREDITS

## RENT AND INCOME LIMITS

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Income</th>
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<tbody>
<tr>
<td>1 Person</td>
<td>$29,400</td>
</tr>
<tr>
<td>2 Person</td>
<td>$33,600</td>
</tr>
<tr>
<td>3 Person</td>
<td>$37,800</td>
</tr>
<tr>
<td>4 Person</td>
<td>$41,940</td>
</tr>
<tr>
<td>5 Person</td>
<td>$45,300</td>
</tr>
<tr>
<td>6 Person</td>
<td>$48,660</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Bedroom Size (occupants)</th>
<th>Maximum Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency (1.0)</td>
<td>$739</td>
</tr>
<tr>
<td>1 Bedroom (1.5)</td>
<td>$792</td>
</tr>
<tr>
<td>2 Bedrooms (3.0)</td>
<td>$951</td>
</tr>
<tr>
<td>3 Bedrooms (4.5)</td>
<td>$1,098</td>
</tr>
</tbody>
</table>

Kansas City, MO-KS HUD Metro FMR Area 2014 Limits
AFFORDABLE HOUSING FOR OLDER ADULTS

- Housing in older suburbs designed for traditional households in a Euclidian suburban design paradigm
- Many seniors are housing cost burdened or severely housing cost burdened
- In order for older areas to attract new residents, single family housing stock needs to be available to younger families.
- New senior low/moderate income housing provides another option for low/moderate income seniors on fixed income freeing up scarce single family housing stock.
- Some seniors would be interested in living in a different housing type but new senior housing built or proposed is too expensive for low/moderate income seniors on fixed income.
HOUSING AS AN ECONOMIC DEVELOPMENT TOOL

- Mixed-income housing can be a catalyst to encourage other investment
- Mid-rise buildings with ground floor activity
BENEFITS OF MUNICIPALITY PARTNERING WITH DEVELOPER LIKE BRINSHORE

• Brinshore has strong track record of working with municipalities, housing authorities and non-profits.

• Brinshore can partner to develop housing and help municipalities realize their real estate goals in the following ways:
  • Help a municipality with their overall housing strategy and master planning
  • Devise an appropriate and feasible development plan
  • Oversee and fund feasibility and due diligence activities
  • Secure financing and manage development process
  • Serve as primary construction guarantor
  • Ensure compliance with LIHTC regulations and work closely with municipality to ensure optimum performance
Melrose Commons
Melrose Park, IL

BRINSHORE DEVELOPMENT L.L.C.
Sunset Woods
Highland Park, IL

BRINSHORE DEVELOPMENT L.L.C.
Westhaven Park Tower
Chicago, IL

BRINSHORE DEVELOPMENT L.L.C.
Heart & Hope
Milwaukee, WI

BRINSHORE DEVELOPMENT L.L.C.
Franklin Square
Milwaukee, WI
Chatham Square
Lafayette, IN

BRINSHORE DEVELOPMENT L.L.C.