Michaels Development Company
Robert Greer, President
Communicating with Congress
I. The Success Story
II. The Process
III. Notification Letters
I. The Success Story
The Nation’s Most Successful Housing Production Program

LIHTC History

- Signed into law under IRS Code Section 42 by President Reagan
- 2.4 million affordable units since 1986
- Private sector takes all development and program compliance risks, not the government
- Building 100 housing credit units generates 116 jobs and more than $7.9 million local income
GRAND OPENING
LIVING SPRINGS
A Senior Rental Residence
Abundant Life Fellowship CDC
Neighborhood Impact
Job Creation, including neighborhood and minority employment opportunities
Supportive Services for Seniors, Youth, and Families
Adult Education, Self-Sufficiency Programs, and Drug & Alcohol Prevention
Job Fairs and Employment Partnerships for Graduates of our Computer Learning Centers
147 Scholarships Awarded in 2010
$2.4 million in awards since 1993
1. Organize residents into 501 C3 nonprofit organization;
2. Register all residents to vote
I. The Success Story
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II. The Process
Each state issues a **Qualified Allocation Plan** which identifies specific housing priorities in their state.

To be awarded tax credits, competing developers must demonstrate in their proposal how they best comply with these housing priorities.
As a result, states award credits to only the best projects. Every year, applications exceed state allocations with developers requesting 2 to 3 times the available supply of credits.

<table>
<thead>
<tr>
<th>Allocating Agency</th>
<th>Per Capita Credits</th>
<th>Total Credits †</th>
<th>Total Allocations</th>
<th>Low Income Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$10,161,272</td>
<td>$26,045,329</td>
<td>$26,045,329</td>
<td>2,424</td>
</tr>
<tr>
<td>Alaska</td>
<td>$2,555,000</td>
<td>$3,500,627</td>
<td>$3,500,627</td>
<td>149</td>
</tr>
<tr>
<td>Arizona</td>
<td>$13,945,261</td>
<td>$9,268,982</td>
<td>$14,723,363</td>
<td>890</td>
</tr>
<tr>
<td>Arkansas</td>
<td>$6,236,553</td>
<td>$5,885,973</td>
<td>$5,885,973</td>
<td>603</td>
</tr>
<tr>
<td>California</td>
<td>$80,417,073</td>
<td>$9,268,947</td>
<td>$82,684,947</td>
<td>4,649</td>
</tr>
<tr>
<td>Colorado</td>
<td>$10,895,333</td>
<td>$13,012,692</td>
<td>$10,915,767</td>
<td>853</td>
</tr>
<tr>
<td>Connecticut</td>
<td>$7,705,050</td>
<td>$3,316,175</td>
<td>$10,915,767</td>
<td>388</td>
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<tr>
<td>Delaware</td>
<td>$2,555,000</td>
<td>$3,747,359</td>
<td>$3,747,359</td>
<td>548</td>
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<tr>
<td>District of Columbia</td>
<td>$40,152,735</td>
<td>$5,613,145</td>
<td>$5,613,145</td>
<td>464</td>
</tr>
<tr>
<td>Florida</td>
<td>$33,998,450</td>
<td>$49,463,921</td>
<td>$49,463,921</td>
<td>3,375</td>
</tr>
<tr>
<td>Georgia</td>
<td>$2,023,453</td>
<td>$21,205,516</td>
<td>$21,205,516</td>
<td>1,757</td>
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<tr>
<td>Hawaii</td>
<td>$3,298,684</td>
<td>$4,857,946</td>
<td>$4,857,946</td>
<td>350</td>
</tr>
<tr>
<td>Idaho</td>
<td>$26,275,605</td>
<td>$46,557,150</td>
<td>$46,557,150</td>
<td>4,409</td>
</tr>
<tr>
<td>Illinois</td>
<td>$13,959,636</td>
<td>$49,396,545</td>
<td>$55,956,765</td>
<td>3,254</td>
</tr>
<tr>
<td>Indiana</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Community Meetings
Participation of a Non-profit

The process of developing an application to the state HFA for an award of credits requires extensive preparations.
Preliminary Designs

- Creating alternate designs
Designs must then be accepted by:

Planning, Zoning, Market Study, Infrastructure

1. Planning Commission
2. Zoning
3. Market Study/demand
4. Infrastructure Requirements
Upon acceptance of the development plan by local community and government organizations, the next step is preparing the LIHTC Application.

- The LIHTC program was **NOT** designed to provide the entire development costs; therefore, the developer must also compete for other required sources of funding.
The Award of housing credits will leverage other private capital requirements.

- Private first mortgage
- Federal Home Loan Bank
- State Loan Programs
- City HOME/CDBG funds
- Other

Indiana Housing and Community Development Authority

Rental Housing Finance Initial Application

2011 Rental Housing Finance Initial Application

APPLICATION PACKAGE SUBMISSION GUIDELINES

1. No Application will be considered without the Applicant’s submission of a brief narrative summary (limit 3 pages) describing the need for the Development within the community and the Development itself. This narrative should give an accurate depiction of how this development will benefit the particular community. Generally, the summary should include the following points:
State Agencies rank and score each development proposal they receive

**Extra Points**
- Green Building
- Serve very low income
- Extended compliance periods

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<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project will provide low-income units for a longer period than is required</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>2. Project will provide a greater percentage of low-income units than Section 42 IRC.</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>3. Project’s federal tax credits/low-income rental unit ratio</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>4. Project has the appropriate zoning or the applicant has secured exceptions/variances to construct the project as proposed.</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>5. Applicant demonstrates that all low-income units will be made process acceptable to HRIFDC, to people on the waiting list for the housing.</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>6. Preservation of existing affordable rental housing at risk of being owned by the market.</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>7. Project will give preference to tenant populations</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>8. Project serving tenants with special housing needs</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>9. Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 IRC.</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>10. The ratio of total tax credits requested as a percentage of total project cost.</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>11. The ratio of developer fee as a percentage of total project cost.</td>
<td>0 or 1%</td>
</tr>
<tr>
<td>12. The project is accepting project-based rental assistance subsidies.</td>
<td>0 or 2%</td>
</tr>
<tr>
<td>13. Local Government Support</td>
<td>0 or 3%</td>
</tr>
<tr>
<td>14. Projects offering tenants an opportunity for home ownership.</td>
<td>0 - 1%</td>
</tr>
<tr>
<td>15. Project is located in a qualified census tract, the development of which contributes to a concerted community revitalization plan as determined by HRIFDC.</td>
<td>0 - 1%</td>
</tr>
<tr>
<td>16. Energy Efficient and Green Buildings</td>
<td>0 - 1%</td>
</tr>
<tr>
<td>17. Historic Nature</td>
<td>0 - 1%</td>
</tr>
<tr>
<td>18. Project location and market demand.</td>
<td>0 - 1%</td>
</tr>
<tr>
<td>19. Developer experience.</td>
<td>0 - 1%</td>
</tr>
<tr>
<td>20. Overall project feasibility.</td>
<td>0 - 10%</td>
</tr>
</tbody>
</table>
August 4, 2010

Mr. Peter Wood
Michael’s Development Company
719 Stratford Avenue
Stratford, CT 06615

Re: Notice of 2010 or 2011 Low-income Housing Tax Credit Reservation

Brookside Phase II Nestal CT-10-016 (the “Project”)

Dear Mr. Wood:

The Connecticut Housing Finance Authority (the “Authority”) has approved a reservation of Low Income Housing Tax Credits (LIHTC) from Credit Round One of the 2010 State Allocation as a Special Class I in the total amount of $1,684,250 for 101 residential units to be located at 120 Brookside Avenue, New Haven, CT 06515. This Reservation (the “Reservation”) is comprised of $1,684,250 in rehabilitation credits and $0 in acquisition credits and is subject to various conditions, including the following:

1. The project low-income set-aside requires that 30 of the units be occupied by residents whose income is fifty percent (50%) or less of area median income (AMI) and that an additional 30 of the units be occupied by residents whose income is twenty-five percent (25%) or less of AMI.

50 percent of the units will have imputed rent levels based on twenty-five percent (25%) of AMI and 30 percent of the units will have imputed rent levels based on fifty percent (50%) of AMI, and these levels must be maintained throughout the extended use period.

The Sponsor has committed in writing to the local housing authority to give priority to households that are on waiting lists for public or assisted housing.
Additional financing commitments and syndication of credits to investors
Developers syndicate the Tax Credit Allocation to investors, which provides the equity that helps finance the affordable housing development.

The Private Sector guarantees long-term affordability and compliance with the program.

Over the past 25 years, the Tax Credit program has helped finance affordable homes for 6 to 8 million Americans.
Financial Closing
I. The Success Story
II. The Process
III. Notification Letters
III. Congressional Notification
A. Award of LIHTC
B. Financing/closing
C. Ground Breaking
D. Ribbon Cutting
A. Award of LIHTC
- Project Name
- Description
- Location Map
- Team Participants
B. Financing
- Total Financing
- Closing Schedule
- Participating Financial Institutions
C. Groundbreaking
Open Dates for Their Response
# Jobs, Taxes, Local Revenue,
Reception
Attendees
Press Release Draft
D. Ribbon Cutting/Grand Opening
• Open Dates for Their Response
• Attendees (state/city/community)
• Reception
• Press Coverage
Formal Invitation once event is planned

Showcase their role if they plan to participate
LINDSAY APARTMENTS
REBORN FOR THE 21ST CENTURY

Lindsay Apartments Grand “Reopening”
and Ribbon-Cutting Ceremony

May 10, 2011 • 10:30 a.m.
Lindsay Apartments Community Center

WELCOME
Michael Boettger, Vice President, Michaels Development Company
Martha Rodriguez, Assistant Property Manager, Interstate Realty Management

INVOCATION
Father Kenneth Bozzo, Sacred Heart Catholic Church, Lindsay, CA

REMARKS
The Honorable Ed Murray, Mayor, Lindsay, California
Justin Steele, Field Representative Office of the Honorable Michael J. Rubio, California State Senate, District 18
Judy Moran, State Architect, The United States Department of Agriculture
Christopher Plenerly, President, Trinity Development & Construction

CLOSING REMARKS AND ACKNOWLEDGEMENTS
Michael Boettger, Vice President, Michaels Development Company

Ceremonial Ribbon Cutting • Lunch and Apartment Tour

The Michaels Organization gratefully acknowledges the support of Senator Barbara Boxer and Congressman Dean Nuter; the California Tax Credit Allocation Committee; the California Housing Finance Agency; Chase-JP Morgan; Forever Multifamily Capital, LLC; the United States Department of Agriculture, Rural Development; and Trinity Development and Construction, Inc., whose assistance made possible the rehabilitation of this

- Acknowledge their Support in the Event’s Program and send them a copy
Follow Up Letter
Thank you
Photographs
Commemorative Gift
Michaels Celebrates Grand “Re-Opening” of Lindsay Apartments
Rehabilitation of Affordable Community Serving Low-Income Rural Families is First in Michaels’ New California Portfolio

Marton, NJ (PRWEB) May 11, 2011

City, state, and federal officials joined The Michaels Organization yesterday to mark the grand “reopening” of Lindsay Apartments, an affordable apartment community serving very low-income families in rural Tulare County, California. The complete revitalization of Lindsay Apartments, which was built in 1978, also marks the first rehabilitation effort by The Michaels Organization of a property in its newly acquired portfolio of affordable apartment assets in California.

“We are grateful to the city and state officials, as well as to the U.S. Department of Agriculture for their tremendous support,” said Michael Boettger, the Michaels Development Company vice president who led the rehabilitation effort. “We are very proud that we have been able to modernize and improve Lindsay Apartments, and to ensure that the community will remain as affordable housing for decades to come,” Boettger said.

Michaels Development and its sister company, Interstate Realty Management, are part of The Michaels Organization, the number one private-sector affordable housing owner and developer in the country, which acquired Lindsay Apartments as part of its recent acquisition of the California-based PAM Companies.

With its rent-restricted compliance period set to expire in December 2010, Michaels set out to preserve the 60-unit garden-style community in Lindsay as much needed affordable housing, while investing in significant capital improvements, including the addition of a new community center, which will provide space for enhanced supportive services and recreation activities for the residents.

Lindsay Apartments’ extensive rehabilitation included interior and exterior improvements and the incorporation of multiple energy-saving features. Photo by Gary Kaz

“We are very proud that we have been able to modernize and improve Lindsay Apartments, and to ensure that the community will remain as affordable housing for decades to come.”
Before Conditions

After, A New Community
In Summary

I. The Success Story
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