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National Housing & Rehabilitation Association's



2013 Summer Institute

Tax Exempt Bond

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Introduction

- Mission
- Community Development Tools
- Role in Low Income Housing Tax Credit (LIHTC)



Overview

- Tax Exempt Bonds
- Project Types
- Minimum Affordability
- 4% LIHTC



Structuring Considerations

Loan Types

- Construction Only
- Construction/Perm
- Permanent Only

Bond Structures

- Public Offered or Privately Placed
- Credit Enhanced / Unenhanced



Impact of 4 Percent Tax Credits

Total Project Costs	\$15,000,000
*Tax Credit Equity	\$2,326,806
Project Debt	\$9,500,000
Grants	\$1,500,000
Deferred Developer Fee	\$800,000
Owner Equity	\$873,194
*% of Total Development Cost	16%

4% LIHTC Are They Back?

- Key Drivers
 - Demand
 - Favorable Interest Rates
 - Equity pricing
 - Gap fillers



Pitfalls to Avoid

- Market Demand
- Financial Feasibility
- Developer Financial Strength
- Deferred Developer Fee
- Community/Local Support



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