KNIGHT DEVELOPMENT

DEVELOP MORE THAN REAL ESTATE

Change Lives | Impact Communities

Housing Authority of the City of New Braunfels, Texas

300 Laurel Lane
New Braunfels, Texas 78130

RFQ# 2023-0001

Development Partner

Due: *Friday, December 15, 2023* at 4:00 PM (CDT)

KNIGHT DEVELOPMENT

KNIGHT DEVELOPMENT REFERENCES

PUBLIC SECTOR/HOUSING AUTHORITIES

Alexandria Housing Authority
Stephan Fontenot, Executive Director
2558 Loblolly Lane
Alexandria, LA 71303
318.442.8843
jpage@alexandriahousing.org
RAD Master Developer and RAD Consultant
Portfolio Conversion

Mississippi Regional Housing Authority VI
Dr. Hickman Johnson, Executive Director
2180 Terry Road
Jackson, MS 39204
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RAD Consultant and Master Developer

East Carroll Parish Section 8 Jury
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PUBLIC HOUSING COMMUNITY GROUP

Leesville Housing Resident Group
Barbara Kaveski, Executive Director
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TAB 6

Financial Capacity to Accomplish Projects

FINANCIAL VIABILITY

Knight Development has significant **financial ability** to leverage the best investments. We have a history of **creating value** from deals that range from simple to highly complex and have the capability to use **multiple funding sources**. Knight Development and its owners are **able to meet net worth and liquidity requirements across multiple investor thresholds**.

Examples of Knight Development's success is evident in project examples provided under Tab 4 and evidencing the company's knowledge and experience with development and success from funding through completion. Additionally, following this page a summary of national awards and recognition for Knight Development projects,

Audited financial statements are available and will be provided upon request only as confidential documents.

ADDITIONAL REFERENCES FOR DOCUMENTED ABILITY TO OBTAIN EXECUTABLE COMMITMENTS FOR FINANCING

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LIHTC LIMITED PARTNER INVESTOR

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Please see the following overview letter of financing capabilities from Greystone which was specifically provided for inclusion with this RFQ response from Knight Development. More information is also available at https://www.greystone.com/

Greystone Lending Capabilities

Greystone is a private commercial real estate finance and investment company with unmatched expertise in debt, equity, investment sales and loan servicing solutions. We are known for deep industry knowledge, creative problem-solving, and willingness to go the extra mile in the service of our clients. A national lender with over 1,500 experts throughout the country, Greystone originates more than $18.3 billion in loans annually and has a loan servicing portfolio of over $89.3 billion, spanning a wide variety of property types.

Greystone companies have closed more than 1,500 Affordable housing transactions totaling more than $16 billion since inception. This total includes LIHTC experience in various forward commitment products, construction/bridge lending on both new construction and substantial rehabilitation, tax-exempt bond financing and many other product lines. Since 2005, Greystone's Affordable servicing portfolio has seen substantial annual growth and since 2018 has closed more than $1 Billion annually in Affordable housing transactions across all Affordable product lines. In the calendar years 2020, 2021, and 2022 Greystone closed 2,326 multifamily loans totaling $30.1B. Of this, approximately $4 billion was dedicated Affordable Housing. This consisted of 9% LIHTC transactions, 4% LIHTC transactions and other transactions with various forms of affordable deed restrictions, rental subsidy, and/or rent and income restrictions.

Greystone consistently remains a top-ranked Fannie Mae, Freddie Mac and FHA Multifamily Affordable Housing lender. In addition to being a top Agency Lender, Greystone also has expanded their all product suite to include non-Agency executions. This includes Greystone Impact Investors LP ("GHI", f/k/a "ATAX"), a publicly traded limited partnership created in 1986 to purchase Tax-Exempt Bonds and Loans. GHI can provide alternative, flexible financing products for clients that can utilize tax-exempt financing where a traditional Agency execution may not be a fit. GHI can provide construction financing, interest-only and permanent financing solutions for LIHTC, non-profits, governmental agencies and health-care entities through the direct purchase of tax-exempt and taxable bonds and loans. Additionally, Greystone and GHI have a strategic partnership with Cedar Rapids Bank and Trust to expand their taxable loan executions. This product suite allows Greystone to source the best possible execution for each transaction.

Greystone allows has a proven track record in the Affordable housing space with Public Housing Authorities and RAD. Two examples of transactions closed with PHA's are detailed below.

1. Greystone closed a Fannie Mae MAH Unfunded Forward for an in-place rehabilitation of approximately $19.5MM (91,549 per unit) in 2019. The Forward Commitment term was

24 months and the loan converted to its permanent phase in May of 2022. The loan parameters were a 90% LTV and a 1.15x DSCR. The permanent loan term is 18 years with a 35-year amortization schedule.

The Project consists of two public housing properties that were renovated and converted under RAD. The public housing developments are operated by a 501(c)(3) non-profit organization, with its primary purpose is to support the local Housing Authority's redevelopment activities. As part of the renovations, the Project received a 20-year Section 8 RAD Contract that restrict 100% of the units. It is also encumbered by a ground lease with the Housing Authority and tax exemption with the local municipality. The property also contains two separate subordinate loans that are considered soft.

2. This transaction was underwritten under the Freddie Mac Tax Exempt Loan ("TEL") Unfunded Forward product-line for the Targeted Affordable Housing ("TAH") program. Terms provided for a 30-month Forward Commitment period and a permanent 15-year Fixed Rate Loan with 35-year amortization. The loan is subject to a minimum DSCR requirement of 1.15x and maximum LTV of 80 percent.

   The Property is one of two condominium units in the project (the "Condominium"); there is condo A, 2,000 SF of ground level commercial retail space (the "Commercial Unit") and condo B, which includes the remaining of space in the building and the subject collateral and mortgaged Property (the "Residential Unit"). The project is a newly constructed property with a total construction budget of $30,744,807 (including the construction contract's Guaranteed Maximum Price, site work, soft costs, and contingency); total project cost were $45,615,518 which includes all fees and costs, including financing costs. The cost of this project is financed by $45,615,518 of proceeds coming from LIHTC financing funded through the Borrowing entity's limited partner, various subordinate soft debt / equity, subordinate seller-loan, and a $7.6 Million construction loan.

   All the Property's residential units are affordable, catering to low-income elderly households. The budget reflects 100% subsidized units under the CHAD RAD contract. Units are subject to income restrictions at 40%, 50%, 60%, or 80% of the maximum eligible tenant income under different restricting programs that provide soft subordinate debt. There are five (5) regulatory agreements that impose income restrictions. The property will need to maintain at least 24 units at 40% of AMI and the remaining 136 units at 50% AMI in order for the Property to comply with all of the restricting agreements.

KNIGHT DEVELOPMENT

AWARD-WINNING AFFORDABLE HOUSING DEVELOPMENTS

At Knight Development, we help housing authorities preserve and enhance their portfolios. We are humbled to be recognized for these efforts and proud of the transformations that have been made in their communities.

View additional details at knightdev.co

2023

NALHFA AWARD OF REDEVELOPMENT EXCELLENCE

CHARLES EDSON AWARD

MS Region VI RAD
Mississippi, Scattered Sites

NAHRO AWARD OF EXCELLENCE

Harmony Garden Estates
Alexandria, LA

2022

MHN TOP MULTIFAMILY DEVELOPMENT FIRM

AHF TOP AFFORDABLE HOUSING DEVELOPER

NAHRO AWARD OF MERIT

MS Region VI RAD
Mississippi, Scattered Sites

Royal Cambridge
Alexandria, LA

Cypress Pointe
Bogalusa, LA

MHN TRANSACTION AWARD

Holt District Homes
North Little Rock, AR

MH Strategies Family RAD
Memphis, TN

MH Strategies Family RAD II
Memphis, TN

NALHFA HOME EXCELLENCE AWARD

Harmony Garden Estates
Alexandria, LA

2021

MHN TOP MULTIFAMILY DEVELOPMENT FIRM

AHF READER’S CHOICE AWARD FINALIST

Royal Cambridge
Alexandria, LA

MHN TRANSACTION AWARD

Lakeshore Family Homes
Lake Providence, LA

2020

MHN TOP MULTIFAMILY DEVELOPMENT FIRM

NAHRO AWARD OF MERIT

Twin Lakes of Leesville
Leesville, LA