

WISE
VENTURES

DOING
WELL
WHILE
DOING
GOOD

A WISE FUNDING SOLUTION.

Public-Private Partnerships to fund workforce housing development throughout the USA

IMPACT INVESTING

"Generates measurable, beneficial social or environmental impact alongside a strong financial return."

America's Housing Crisis is spreading...the next front in the battle over workforce housing isn't just Boston or San Francisco. It's Boise and beyond.



*FOR HOST SPONSORS

Housing Authorities, Municipalities, Academic and Healthcare Institutions, and Prominent Nonprofit Organizations



FOR PUBLIC-PRIVATE PARTNERSHIPS (P3)

The missing financial solution to solve the housing crisis for the missing middle population. Competitive private financing alternative for qualified project sponsors



FOR RESIDENTS AND COMMUNITIES

Opportunity to live, work, and play in their community - within their means - without being financially overburdened.

*A **Host Sponsor** is a local entity serves as a champion in the process to develop or acquire a project in their jurisdiction. They may own the land, assist with a land lease or purchase, they may have their own development/operations team or may make the recommendation for qualified resources in their community.



National Challenge

.....: *“Rising rents in small, midsize and large cities are now a humanitarian crisis.”* Huffington Post

While there are several tools available to develop and acquire “**affordable**” housing assets, there are few, cost-effective financial resources to develop “**workforce**”, mixed-income, mixed-use and other asset types that serve our mid-market (teachers, nurses, faculty, military, first-responders, etc.) population. The Average Median Income (AMI) of this population is too high to qualify for “subsidized/affordable” housing and is not high enough to afford “market-rate” housing.

This mid-market population is seriously overburdened by the cost of housing.



WISE Solution

..... *For teachers, nurses, clerks, first responders, military...working families*



WISE Ventures is an effort focused on meeting the workforce housing demand throughout the nation. WISE supports the creation of multifamily rental housing that is designed for working families whose incomes are too high for subsidized housing but are priced out of market rents.

Host Sponsors are stepping up and working diligently to meet the serious demand for housing stock that serves our mid-market residents. There are very few financial resources and structures available to provide this type of housing.

WISE Ventures provides a Turnkey development solution (*Design, Build, Finance, Operate, Manage, Maintain, Market*) that provides Host Sponsors with an alternative financing vehicle to serve this population, provide them with a risk-adverse solution, and furthers a shared mission.

FUNDING STRUCTURE

There are various forms of financing available for housing projects. Following are two options which can be further customized to fit both the project and Sponsor requirements:

- The projects can be either **ON** or **OFF** the Sponsor's balance sheet.
- The Investor will fund 100% of the project.
- Revenue from tenants paying rent covers the investor returns and operating expenses under a 30-year lease term.
- Collaboratively construct a financial solution that meets regulatory, statutory, and compliance requirements.

Structure 1: (On Balance Sheet)

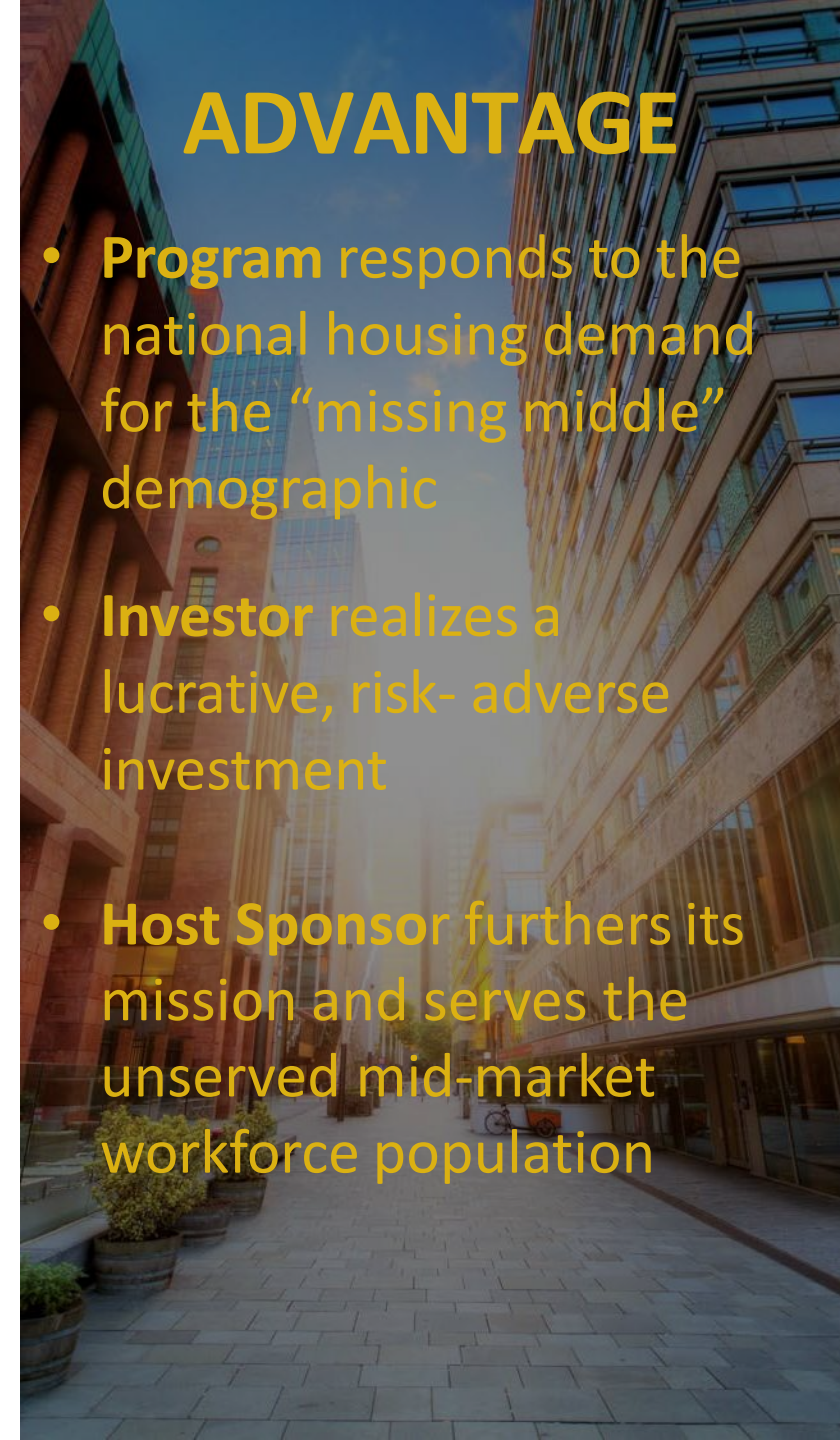
- 100% funding - competitive lease rate
- Sponsor executes a 30-year leaseback
- Investor executes ground lease with Sponsor
- Lease remains on the Sponsor balance sheet
- 100% of Net Operating Income (NOI) goes to the Sponsor
- Investor gives the entire project to the Sponsor at the end of lease term

TRANSFORMING THE INDUSTRY:

- Market drivers and demand: The finance solution structure is available for workforce housing projects that are in high-demand and high-growth areas.
- Targets individuals and families with incomes of 80% to 200% of Area Median Income (AMI) (depending on location)
- Builds and preserves mid-market stock over time
- No time delays for award or construction
- No deferred developer fees
- No issuance fees
- Off balance sheet - no impact to rating agencies or host sponsor's credit
- Significant way to solve the workforce housing crisis in the communities throughout the USA
- No compliance requirements (other than the internal requirements of Host Sponsor)
- Reduced frustration working with public sector funding and compliance
- May not incur Davis Bacon prevailing wage costs

ADVANTAGE

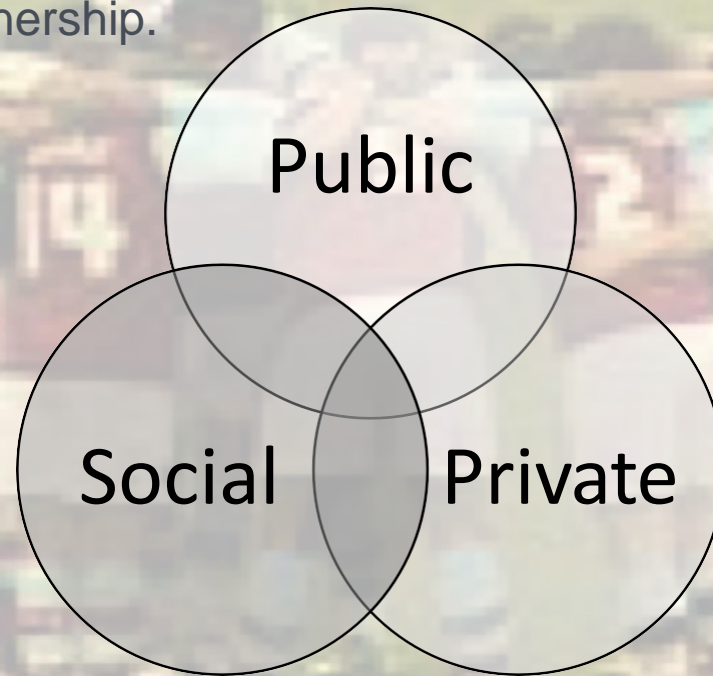
- **Program** responds to the national housing demand for the “missing middle” demographic
- **Investor** realizes a lucrative, risk-averse investment
- **Host Sponsor** furthers its mission and serves the unserved mid-market workforce population



The WISE Approach

WISE Ventures tackles housing challenges with the following approach:

- We understand housing through an economic and community development lens.
- We approach housing as a complex ecosystem in which private, public, and social sectors interact and benefit each other via a public-private partnership.



Social Sector – brings nonprofit expertise to maximize tax benefits, Impact Investing opportunities, nonprofit industry relationships and resources, application of ESG (environmental, social, and governance) best practices.

Public Sector – brings quality deal flow, design-build-operate-manage-maintain capacity and capability, housing industry relationships and resources, financial acumen, reporting and compliance expertise, tax-exempt instrumentality

Private Sector – brings a qualified financial model, Impact Investing opportunities, finance industry relationships and resources, building technologies, and development expertise

WISE Ventures builds the bridge between qualified projects, host sponsors and funding sources (*can bring multiple sources to support the primary investor*). Many communities and campuses are fiscal or governance constrained preventing the creation of the built environment and essential infrastructure. Our approach to funding stems from understanding both the project-based and the finance-based challenges.

Our team of associates have expertise across various asset-types, industries and come from the private, public and social sectors. With much needed private capital and alternative public-private partnership solutions, we serve a wide range of clients including: Developers, Municipalities, Government Agencies, Academic and Healthcare Institutions, and Prominent Nonprofit Organizations.

We have a deep bench and decades of experience working with Housing Authorities and Housing Finance Agencies throughout the USA. Including working with HUD, USDA-RD, municipal housing efforts, private investors and developers in the multifamily industry, and board-level relationships with the National Association of Local Housing Finance Agencies (NALHFA) and National Association of Housing and Redevelopment Organization (NAHRO).





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