

RBC Capital Markets Housing Group Capabilities & Case Studies

Florida ALHFA Conference

June 14, 2021

STRICTLY PRIVATE AND CONFIDENTIAL



Capital
Markets

2020 National Housing Bond Underwriter Rankings

Year 2020

National Single Family Lead Manager League Table
Negotiated: True Economics to Book Runner
Year 2020

Firm	Par Amount (US\$ mil)	Rank	Mkt. Share (%)	Number of Issues
RBC Capital Markets	\$3,866.7	1	29.2	61
Barclays	1,421.7	2	10.7	24
Citi	1,371.8	3	10.3	20
J P Morgan Securities LLC	1,180.3	4	8.9	17
Morgan Stanley	1,090.7	5	8.2	19
Wells Fargo & Co	1,021.6	6	7.7	12
BofA Securities Inc	729.1	7	5.5	16
Stifel Nicolaus & Co Inc	674.3	8	5.1	17
Raymond James	606.9	9	4.6	10
Jefferies LLC	401.4	10	3.0	4
Top 10	12,364.5	-	93.2	200
Other Managers	896.6		6.8	23
Total	\$13,261.1	-	100.0	223

National Multi-Family Lead Manager League Table
Negotiated: True Economics to Book Runner
Year 2020

Firm	Par Amount (US\$ mil)	Rank	Mkt. Share (%)	Number of Issues
BofA Securities Inc	\$1,027.4	1	13.9	10
Jefferies LLC	1,020.5	2	13.8	13
RBC Capital Markets	915.7	3	12.4	34
Stifel Nicolaus & Co Inc	801.5	4	10.9	46
Wells Fargo & Co	650.2	5	8.8	15
Morgan Stanley	626.2	6	8.5	10
Citi	602.2	7	8.2	7
Raymond James	454.2	8	6.2	10
J P Morgan Securities LLC	345.7	9	4.7	2
KeyBanc Capital Markets	195.1	10	2.6	9
Top 10	6,638.7	-	89.9	152
Other Managers	738.7		10.1	49
Total	\$7,377.4	-	100.0	201

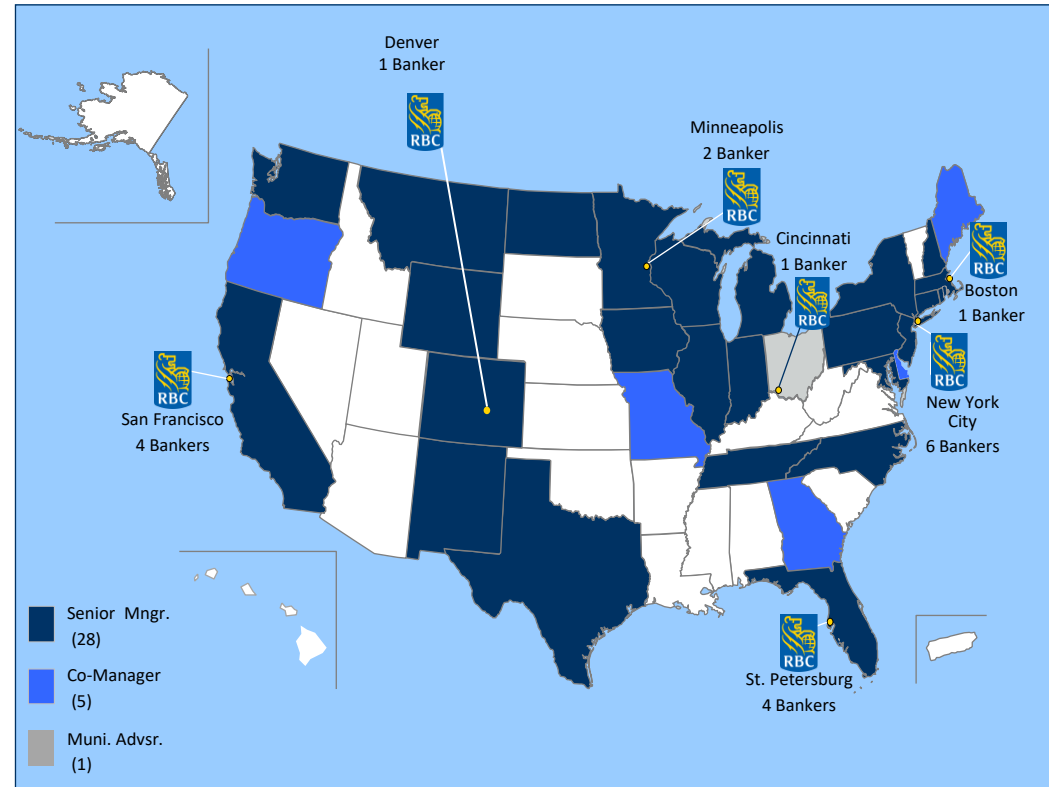
Combined Single and Multi-Family Lead Manager League Table
Negotiated: True Economics to Book Runner
Year 2020

Firm	Par Amount (US\$ mil)	Rank	Mkt. Share (%)	Number of Issues
RBC Capital Markets	\$4,782.5	1	23.2	95
Citi	1,973.9	2	9.6	27
BofA Securities Inc	1,756.5	3	8.5	26
Morgan Stanley	1,716.9	4	8.3	29
Wells Fargo & Co	1,671.8	5	8.1	27
Barclays	1,567.2	6	7.6	29
J P Morgan Securities LLC	1,526.0	7	7.4	19
Stifel Nicolaus & Co Inc	1,475.8	8	7.2	63
Jefferies LLC	1,421.9	9	6.9	17
Raymond James	1,061.0	10	5.1	20
Top 10	18,953.4	-	91.9	348
Other Managers	1,685.2		8.1	76
Total	\$20,638.5	-	100.0	424

Source: Refinitiv, 12/1/20-12/31/20

Our Municipal Housing Group's Leadership Housing Continued Through 2020

- ✓ **RBC CM has been the #1 ranked municipal housing bond underwriter (combined single and multifamily) each year from 2016 through 2020** (source: Refinitiv)
- ✓ **The Firm serves as senior manager to 28 State HFAs and 10 Florida Local HFAs and has lead managed offerings for all of them; co-managing underwriter to another 5 State HFAs and Municipal Advisor to 1.**
- ✓ **In addition to providing single family bond underwriting services, RBC Capital Markets provides Single Family TBA Administrative Services including monitoring of loan originations and MBS pooling as well as hedging strategies.**
- ✓ **RBC provides a wide range of tax exempt multifamily investment banking services, including bond underwriting and placement agent, to developers, 501 (c)(3)s and Public Housing Authorities**
- ✓ **RBC Community Investments: 100 person group with in-house tax equity legal, tax, accounting, risk/underwriting, construction management, asset management, compliance monitoring, and fund management expertise.**
- ✓ **RBC CM is a full service firm providing bond underwriting, balance sheet, derivatives, & LIHTC equity solutions**



New York, NY	
Michael Baumrin	Managing Director
Hing Loi	Director
Mitch Gallo	Director
McDaniel Jeantus	Analyst
Michael Montoya	Analyst

San Francisco, CA	
Mina Choo	Managing Director
Ian Parker	Managing Director
Derek McGreal	Director
Patrick Zhang	Vice President

Boston, MA	
Jeffrey Sula	Managing Director

St. Petersburg, FL	
Helen Feinberg	Managing Director
Debbie Berner	Director
Cameron Hill	Vice President
Becca Ickowicz	Vice President

Cincinnati, OH	
Ray Barrish	Director

Minneapolis, MN	
Cory Hoepfner	Managing Director

Denver, CO	
Greg Goldberg	Director

RBC Capital Markets Maintains a Dedicated Multifamily Platform

A wide breadth of experience with nearly all municipal executions for affordable housing developers and issuers

Conduit Style Financings & Cash Collateralized Bridge Bonds



- 43 cash collateralized offerings totaling over \$800 million since January 1, 2017*
- Executed in conjunction with HUD and GSE transactions
- Tax exempt & taxable LOC backed variable rate demand notes
- LOC backed fixed rate LIHTC bridge bonds, some utilizing FHLB credit support
- Bonds issued through state HFAs, as well as local housing issuers and IDAs

Fannie Mae MBS Pass-Through (M.TEB) Bonds



- 27 offerings totaling approx. \$630 million*
- Monthly pass through of P+
- Priced to average life
- State & Local HFAs
- Acquisition/rehab & new construction

HFA Open Resolution Financings



- \$11.51 million AMT & \$38.49 million taxable variable rate bonds 2020 E & 2020 F-2, RBC liquidity facilities
- \$25.425 million tax exempt 2018 Series F
- \$61.5 million taxable floating rate note 2017 B-2; refunding without yield restriction



- Risk Share & GNMA Aa2/AA+ open resolution
- Sr. managed \$42 MM offering in May 2018; \$30.4 million offering in July 2019; \$11.485 million offering in October 2020
- Bridge and permanent financing
- \$40 million credit facility for taxable refunding



- Multi-Family Housing Revenue Bonds Aaa/NR
- \$21.765 million taxable offering in July 2020
- \$10.2 million Risk-Share deal in March 2019



- Rental Housing Bonds Aa1/AAA
- Risk share perm & Agency GO; fund construction
- 20 series totaling \$95.7 million since 2014*



Capital Markets

Public Housing Executions



- Cap Fund financings for PHA of Seattle, Denver, Charlotte
- RAD conversions
- Recapitalization as LIHTC properties
- Acquisition financings for subsequent conversion to LIHTC properties

Private Placements

- Over 129 placements totaling approximately \$2.1 billion in par value since 2013*
- Developer driven transactions
- Facilitated many Freddie Mac "TEL" transactions
- Served as placement agent for issues placed with local banks and CRA driven investors
- Relationships with several institutional and bank investors

Community Investments Group

- Over \$11.4B in equity raised through 125 active funds
- Approximately \$1 billion of average annual investment over trailing three years
- Over \$87 million of investment in 14 DC affordable properties, comprising over 1,600 units (as of 9/30/2020)
- Tony Alfieri, Managing Director, serves as Immediate Past President & Chairman of the Board of The Affordable Housing Tax Credit Coalition

Case Study LIHTC – Tax Exempt Bonds: Housing Finance Authority of Miami Dade – Platform 3750

- **Developer: The Cornerstone Group** selected as developer via RFP for a Mixed income, mixed use affordable transit oriented development in Miami-Dade county.
 - 192 Multifamily Units – 40% Affordable, Remainder Market Rate
 - 21,000 Sq Ft of Commercial Retail including Aldi & Starbucks and Parking
 - 27,000 Square Feet of Office Space – including space to be occupied by Cornerstone Group
- Site qualified as opportunity zone
- Property leased to borrower by Miami-Dade county
- Government subsidy included:
 - \$8,000,000 Miami-Dade Surtax Loan and \$1,400,000 Loan
 - \$3,500,000 City of Miami General Obligation Funds and \$1,948,000 HOME loan
- \$60,470,000 FHA 220 permanent loan – a special HUD program for Mixed Use Developments targeted to areas where local governments have undertaken revitalization activities
 - Targeted Urban Area and USDA Food Desert
 - Redevelopment of County’s Department of Children & Families providing social services
 - Site of Douglas Station on Metro-Rail
- RBC served as underwriter on the \$43MM short term collateralized Tax Exempt Bonds qualified project for \$5MM in self-funded 4% LIHTC



Source: Official Statement,
Developer

GreenHaus Project – Taxable Bonds

- New construction mixed use high rise:
129 Apartments (79 affordable/ 50 market)
- Financing included 9% LIHTC
- \$37,890,000 taxable bonds financing construction and permanent phase
- Bonds rated “AA-” by S&P based on equivalent rating of DHA
- Bond structure based on Authority rating provided flexibility and low costs
- Combined construction & permanent taxable bond yield was **2.98%**
- Condo structure used to separate affordable and market rate ownership

Thrive – Tax Exempt & Taxable Bonds

- New construction mixed use high rise:
135 apartments (105 affordable/ 30 market)
- Financing included 4% LIHTC
- \$25.8MM tax exempt and \$23.555MM Taxable financing construction & permanent phase
- Bonds rated “AA-” by S&P based on equivalent rating of DHA
- Designated “**Sustainability Bonds**” by Kestrel Verifiers
- Combined Yields: tax exempt: **1.98%** and taxable: **2.25%**
- Like GreenHaus – condo structure was used



Source: Official Statement

Case Study – 501(c)(3) Financing: Patriot Services Group – West Virginia Portfolio Acquisition

- **\$62,700,000 acquisition of 23 multifamily properties consisting of 991 units in Charleston, WV area using 501(c)(3) tax exempt bonds**
- Tax Exempt Bond Financing was structured as a private placement to a single Qualified Institutional Buyer
- The portfolio of properties was purchased from a single investor who acquired and operated the properties over approximately a 50 year period.
- Cedar Grove Capital assisted PSG with pre-development financing, due diligence, guarantees and asset management
- \$10 million in bond proceeds is funding rehabilitation (including roofs, HVAC, water heaters, plumbing, electric etc.)
- Acquisition and rehabilitation was financed under a single master trust indenture allowing for cross collateralization
- Non-rated institutional bond structure allowed for early optional partial bond redemption if the borrower intends to pursue a tax exempt bond/ 4% LIHTC execution
- LURA requires 40% of units to serve households at or below 60% of AMI and 35% of units to serve households at or below 80% AMI
- Acquisition by the Not For Profit converted market rate housing in the capital city of West Virginia to workforce/affordable while making critical repairs and upgrades.



Source: *Private Placement Memorandum, Borrower*

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