

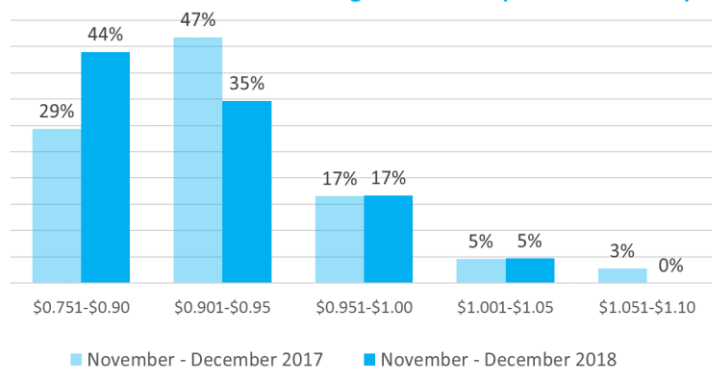


## Housing Credit Pricing Update

- On an equity-weighted average basis, participants in our latest survey (November-December 2018) reported a **\$0.91** net equity price and a **4.85%** blended IRR among the national multi-investor funds currently offered.
- Some respondents chose to provide "TBD" in place of an average or a range of IRRs. While incomplete, the survey data suggests that many syndicators continue to offer tiered IRRs, with the top tier being priced at 5.50% to 6.00%. The top tier is mostly intended for economic investors whose investment appetite is not driven by CRA footprints.
- The pricing update graph below represents the lower tier pricing distribution of investments approved by the participating syndicators in the last 60 days.

The median reported housing credit price in the last 60 days was **\$0.9175** cents across 150 deals, which is generally consistent with the September-October 2018 survey.

### November-December LIHTC Pricing Distribution (Years 2017-2018)



## Current National Multi-Investor Funds

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
<b>Alliant</b> Alliant Fund 94	National	\$145	4% - 6%	\$0.92	February 2019
<b>BFIM</b> BFIM Fund 50	National	\$200	3.85% - 5.75%	\$0.84 - \$0.98	February 2019
<b>Boston Capital</b> BCCTC Fund 46	National	\$113	4.2% - 4.5%	\$0.90	January 2019
<b>CREA</b> CREA Fund 66	National	\$254	TBD	TBD	January 2019
<b>Enterprise</b> Fund XXXI	National	\$250	TBD	TBD	September 2019
<b>PNC</b> PNC Fund 70	National	\$154	4.25%	\$0.91	January 2019
<b>R4</b> R4 Fund X	National	\$225	TBD	TBD	TBD
<b>Raymond James</b> RJTCF 45	National	\$200	TBD	TBD	March 2019
<b>Redstone</b> 2019 National Fund	National	\$175	4.75% - 6%	TBD	March 2019
<b>WNC</b> WNC Fund 46	National	\$110	5% - 5.5%	\$0.8984 - \$0.91	March 2019

Equity-weighted Average	Net Equity Price	Projected After Tax IRR
National Funds	\$0.91	4.85%
State Regional Funds excluding CA	\$0.91	4.79%
California Funds	\$0.95	4.17%

## A Focus on Puerto Rico

- The economy of Puerto Rico has been in a state of recession over the previous decade - fueled by chronic decline in total employment, low labor force participation rate, and structurally high unemployment rates. Hurricanes Maria and Irma caused extensive damage and led to thousands leaving the island. While the hurricanes' impact on future performance of affordable housing remains to be seen, housing credit properties on the island have historically performed remarkably well.
- The CohnReznick database included 146 Puerto Rico properties, 132 of which had stabilized as of December 31, 2016. The data indicate Puerto Rico has been a strong market for affordable housing, outperforming the national portfolio on most major performance metrics. Puerto Rico properties reported 99.0% median physical occupancy, 98.2% median economic occupancy, and a 1.43 median debt coverage ratio ("DCR").
- Nearly 79% of housing credit properties in Puerto Rico benefit from Section 8, Rural Development or other rental subsidies. Subsidized properties in Puerto Rico reported slightly more favorable median physical and economic occupancy and higher median cash flow per unit than non-subsidized developments.
- Data published by HUD in 2018 noted that more than 4,200 Puerto Ricans utilize Housing Choice Vouchers. Voucher usage at housing credit properties likely positively impacted historical performance.
- 47% of the Puerto Rico portfolio was risk rated "A" and approximately 40% is risk rated "B". Only 9.3% of Puerto Rico deals were on the watch list, which is more favorable than the 10.8% national rate.

## Current Regional Multi-Investor Funds

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
<b>Alliant</b> Alliant Fund 96	AZ, CA, WA	\$105	4.5% - 5%	\$0.92	February 2019
<b>Boston Capital</b> California Fund VIII	CA	\$92	4.25%	\$0.95	January 2019
<b>Cinnaire</b> Mid-Atlantic Fund 4	DE, MD, PA, NJ	\$34	4.15%	\$0.97	December 2018
<b>Enterprise</b> CalGreen VI Fund	CA	\$70	TBD	TBD	September 2019
<b>Merritt</b> Fund XXI	CA	\$75	4% - 4.15%	TBD	July 2019
<b>MHEG</b> MHEG Fund 51	Midwest	\$200	TBD	TBD	September 2019
<b>MHIC</b> MHEF XXV	MA	\$65	4.50%	TBD	June 2019
<b>OCCH</b> OEF Fund XXIX	OH, KY, WV, TN	\$275	4.5% - 5%	\$0.86 - \$0.94	April 2019
<b>Raymond James</b> CAHOF VIII	CA	\$100	TBD	TBD	March 2019
<b>WNC</b> Fund X CA Series 17	CA	TBD	TBD	TBD	TBD