

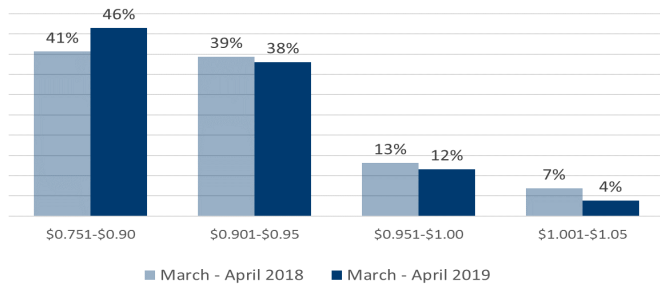
# HOUSING TAX CREDIT MONITOR

May 2019

## Housing Credit Pricing Update

- On an equity-weighted average basis, participants in our latest survey (March-April 2019) reported a 5.11% blended IRR among the national multi-investor funds currently offered.
- The pricing update graph below represents the net equity price 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 \$0.92 cents across 155 deals, which is generally consistent with the previous survey.

March-April LIHTC Pricing Distribution (Years 2018-2019)



## Revisiting Bond deals

- Our Annual Housing Credit Equity Volume Survey (released in March 2019) indicated **\$16.4** billion of total gross equity closed in 2018.
- Historically, 4% deals account for 40% of the total equity in the market; hence, an estimated **\$6.6** billion of equity was contributed to 4% deals.
- Among 4% deals we have recently assessed, hard debt on average makes up for **35-45%** of the total development costs.
- In recent years, tax-exempt bonds and 4% credit have played an instrumental role in acquisition/rehabilitation developments, which is meant to preserve the affordability and living conditions for different projects.
- Among the industry's key legislative priorities is the proposal to fix the credit rate at 4%.
- Simple case study:
  - An acquisition rehab project with \$50 million of eligible basis.
  - A 3.31% credit rate would generate roughly \$16.5 million in equity, while a fixed 4% credit rate would generate \$20 million.
  - This will increase available equity by roughly **20%** and reduce the amount of hard debt or the need to find increasingly scarce gap financing.

## CURRENT NATIONAL MULTI-INVESTOR FUNDS

Syndicator / Fund Name	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant Alliant Tax Credit Fund 94	\$150	4% - 6%	\$0.913	May 2019
Alliant Alliant Tax Credit Fund 96	\$150	TBD	TBD	December 2019
BFIM BFIM Fund 50	\$181.1	4% - 5.75%	\$0.84 - \$0.98	April 2019
Boston Capital BCCTC Fund 47	\$125	TBD	\$0.865 - \$0.99	June 2019
CREA CREA Corporate Tax Credit Fund 72, LLC	\$200	4% - 6%	TBD	June 2019
Enterprise Fund XXXI	\$250	TBD	TBD	September 2019
PNC PNC LIHTC Fund 71	\$210	4.25% - 5.75%	\$0.9178	TBD
R4 R4 Housing Partners XI LP	\$200	TBD	TBD	July 2019
Raymond James RJTCF 45	\$200	TBD	TBD	July 2019
RBC RBC National Fund - 29	\$116.7	4% - 5.5%	\$0.8262 - \$0.945	May 2019
Redstone Red Stone Equity - 2019 National Fund	\$172	4.75% - 6%	TBD	May 2019
Regions Regions Corporate Partners Fund 56	\$100	4.75% - 5.75%	\$0.86 - \$0.92	November 2019
WNC WNC Institutional Tax Credit Fund 47	\$110	5.75% - 6%	\$0.8878 - \$0.8878	July 2019

## CURRENT REGIONAL MULTI-INVESTOR FUNDS

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
CAHEC CEF Fund XXIV	Southeast and Mid-Atlantic US	\$150	4.60%	\$0.90	June 2019
Cinnaire Cinnaire Fund 34	MI, IN, WI, IL, MN	\$160	TBD	\$0.88	July 2019
Cinnaire Mid-Atlantic Fund 5	DE, MD, PA, NJ	\$20	TBD	\$0.93	September 2019
CREA CREA CA Fund 70	CA	\$103.4	4% - 5.2%	TBD	May 2019
Enterprise CalGreen VI Fund	CA	\$75	TBD	TBD	July 2019
Merritt Fund XXI	CA	\$75	4.15% - 4.25%	TBD	October 2019
MHEG MHEG Fund 51	Midwest	\$200	5.25%	TBD	September 2019
MHIC MHEF XXV	MA	\$65	4.50%	\$0.88 - \$0.98	August 2019
OCCH Fund XXIX	OH, KY, WV, TN	\$300	4.5% - 5.5%	\$0.86 - \$0.96	June 2019
R4 CA Fund V	CA	\$75	TBD	TBD	July 2019
Raymond James CAHOF VIII	CA	\$100	TBD	TBD	May 2019
RBC California Fund - 5	CA	\$50	4% - 5%	\$0.9467 - \$0.98	June 2019
WNC Fund X CA Series 17	CA	\$100	4.75%	\$0.9352	July 2019

Note: All fund data was provided by fund sponsors and compiled by CohnReznick. Neither CohnReznick nor the Tax Credit Advisor takes responsibility for the accuracy of the data represented by the sponsors. If you would like a fund included in the next Housing Tax Credit Monitor, please contact [TCIS@cohnreznick.com](mailto:TCIS@cohnreznick.com) or 617.648.1414 to speak with a professional with CohnReznick's Tax Credit Investment Services practice. Visit CohnReznick's website at [cohnreznick.com](http://cohnreznick.com).