

THE NOVOGRADAC JOURNAL OF TAX CREDIT HOUSING HONORS EXCELLENCE AND OUTSTANDING ACHIEVEMENT IN AFFORDABLE HOUSING DEVELOPMENT

Winners Nationwide Recognized at the Tax Credit Housing Finance Conference

Las Vegas, December 3, 2009

San Francisco, Calif. - The Novogradac Journal of Tax Credit Housing (JTCH) today honored the winners of its first annual JTCH Developments of Distinction at a special luncheon held in Las Vegas, Nev. The award presentations were made before a large audience of affordable housing professionals attending Novogradac & Company LLP's Tax Credit Housing Finance Conference.

The JTCH Developments of Distinction awards honor outstanding achievement in the development of tax credit housing. The awards recognized low-income housing tax credit (LIHTC) projects placed in service in 2008/2009 in three categories: those that had a major impact on their community; those that demonstrated financial innovation; and those that overcame significant obstacles in their development.

Responding to community needs and meeting those needs using community resources, the developers of Palmers Dock in Brooklyn, N.Y. transformed a former garbage transfer station into affordable homes. It was nominated in the Major Community Impact category by its developers L&M Development Partners Inc. and Dunn Development Corp. Palmer's Dock is the first affordable housing project developed under New York City's Inclusionary Housing Program as part of the city's rezoning of the Williamsburg/Greenpoint waterfront. Palmers Dock represents a \$39.3 million community investment that brought about 280 residents to the neighborhood. It provides working families, and individuals and families with special needs with large, affordable apartments. Eight of the complex's units are set aside for individuals with developmental disabilities and an additional three are set aside for formerly homeless families from Brooklyn shelters.

Dudley Village, a 50-unit multi-family LIHTC project in Boston, Mass.'s Dorchester neighborhood, nominated by the Massachusetts Housing Investment Corporation, received an honorable mention in the community impact category. Replacing the infamous Fundozinho Lounge and filling a string of vacant lots, Dudley Village revitalized the previously blighted area of Boston, spurring investment by not-for-profit, private and public entities that have partnered to rebuild the community.

The project chosen for its exemplary use of innovative financing was South Carolina 07, a portfolio of individual properties scattered throughout South Carolina. Nominated by Greystone Affordable Housing Initiatives LLC, the project bundled 23 multifamily properties in the rural areas of 15 different counties across South Carolina into a single bond issue and transferred them to new ownership, extending the restrictions for 30 years. Preserving the units required a highly complex \$57.5 million deal involving the assumption and subordination of \$23.5 million in existing USDA Rural Development Section 515 debt. The project saved 830 affordable housing units deemed at risk of exiting the U.S. Department of Agriculture's Rural Development Sec. 515 program.

Hubbard Place, an historic nine-story mid-rise with 230 apartments along with ground floor retail and office spaces in Washington D.C., was nominated by Somerset Development Company LLP and received an honorable mention in the financial innovation category. The large number of public sector and private financing partners attested to the complexity of the project's financing that included structuring tax-exempt bonds with a "reverse" or "mirror" defeasance, structuring the tax credit syndication with an

interim loan by the syndicator, and using soft subordinate financing in exchange for commitments on maintaining the affordability for an extended period.

Blue Ribbon Loft Apartments was recognized for overcoming significant obstacles and using innovative and replicable strategies to surmount its challenges. The 95-unit mixed-income apartment building with 69 available to income-qualified families and individuals making 50 to 60 percent of the area's median income was nominated by Great Lakes Capital Fund. The project came to fruition after four years of attempts to revitalize a former Pabst Brewery, including overcoming extensive environmental hazards.

Renaissance Preserve Senior Apartment Homes, located in Fort Myers, Fla., nominated by the Housing Authority of the City of Fort Myers, received an honorable mention for overcoming significant obstacles. Proving that persistence pays, the project developers had submitted an application for a HOPE VI grant award for three consecutive years before receiving the award in 2005. In 2007 the project was awarded the largest single State Apartment Incentive Loan (SAIL) ever made by the Florida Housing Finance Corporation.

Red Hawk Apartments located in St. George Utah, nominated by Color Country Community Housing, also received an honorable mention for overcoming significant obstacles. Early in its development phase the Red Hawk Apartments were mistakenly identified as being on a FEMA floodplain. Several studies and months later revealed this was an error; however, FEMA clearance, renegotiations and additional construction guarantees were obtained and the project met its construction deadline.

The Novogradac Journal of Tax Credit Housing is a premiere national publication, read by affordable housing and tax credit professionals who turn to its pages for industry information and news. The JTCH will in January be renamed the Novogradac Journal of Tax Credits and will debut in a re-designed and expanded format that will include 80 full-color pages filled not only with low-income housing tax credit, LIHTC compliance, valuation, and tax-exempt housing bond industry news but also new markets, renewable energy, historic tax credit and HUD program coverage.

Novogradac & Company LLP, a national certified public accounting and consulting firm headquartered in San Francisco, Calif., has consistently been named by *Accounting Today* and *Public Accounting Report* as one of the top accounting firms in the country. *Inside Public Accounting* named it as one of the 25 best managed accounting firms and the *San Francisco Business Times* recognizes it as one of only five companies that for five consecutive years has made its list of the Fastest Growing Companies in the Bay Area.