THE COMPANY
OVERVIEW

Denver, CO
based multifamily developer and investor.

$700 million
(cost basis) of property completed, under construction or in pre-development.

60 years
combined development and finance experience at the principal level.

Successful investments
with numerous lenders and institutional equity partners.

Diversified
across four business lines (all rental) with differing risk profiles:

- Affordable (LIHTC)
- Workforce
- Class A+ / Luxury
- Senior Housing (IL / AL / MC)
**BUSINESS LINES**

(1)

**AFFORDABLE (LIHTC)**
MGL is the most active for-profit affordable housing / tax credit developer in Colorado.

**WORKFORCE**
Recently debuted a first-of-its-kind apartment product for renters who are over-qualified for affordable housing but can’t afford Class A+ / CBD rents.

**CLASS A+ / LUXURY**
MGL has developed multiple award-winning, high-density communities in high-barrier, infill locations.

**SENIOR HOUSING (IL/AL)**
Operated by One Eighty / Leisure Care, one of the U.S.’s premier senior living management companies.

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(1) By capital invested
# BREADTH OF EXPERIENCE

<table>
<thead>
<tr>
<th>MARKET SEGMENTS</th>
<th>CONSTRUCTION TYPES</th>
<th>DEBT</th>
<th>EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable (LIHTC)</td>
<td>Garden / Surface Parking</td>
<td>Bank Debt</td>
<td>Joint Venture Equity</td>
</tr>
<tr>
<td>Workforce</td>
<td>Wood Over Podium Parking</td>
<td>Agency Debt</td>
<td>HNW Equity</td>
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<tr>
<td>Class A+ / Luxury</td>
<td>Mid-Rise Concrete / Subgrade Parking</td>
<td>HUD / FHA</td>
<td>LIHTC Equity</td>
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<tr>
<td>Senior Housing</td>
<td>Mid-Rise Concrete / Gut Renovation</td>
<td>Tax-Exempt Bonds</td>
<td>Historic Tax Credit Equity</td>
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<tr>
<td></td>
<td>High-Rise Concrete / Gut Renovation</td>
<td>Participating Debt</td>
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<td></td>
<td></td>
<td>Subordinate Debt</td>
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<tr>
<td></td>
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<td>Ground Leases</td>
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<tr>
<td></td>
<td></td>
<td>Life Company Debt</td>
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</table>
ELEVATE @ PENA STATION
Denver, CO

218 units, workforce multifamily rental
### PROJECT HIGHLIGHTS

#### OFF MARKET LAND PURCHASE
MGL negotiated the purchase of this six-acre site within the Pena Station NEXT mixed-use development prior to it being marketed to the broader development community. MGL structured its purchase agreement to delay closing on the land for 18 months – at which point all entitlements were secured and construction financing was in place.

#### COMMUTER RAIL STOP
Elevate @ Pena Station is just two short blocks from the last rail stop before Denver International Airport (DIA) – home to over 30,000 employees.

#### VISIBILITY
Excellent visibility from Pena Boulevard with over 64,000 cars/day.

#### PROXIMITY TO JOB CENTERS
Located within a 10-minute drive of major employment centers.

#### ACCELERATED LEASE-UP
Elevate reached 95% occupancy in less than eight months, averaged almost 30 leases per month and raised market rents twice during its lease-up period.

#### WORKFORCE HOUSING
25% of the units are reserved for renters making 80% of Area Median Income (too much to qualify for traditional “affordable housing”); 75% of the units are market-rate.
ELEVATE @ PENA STATION
WHY WORKFORCE HOUSING?
## TRADITIONAL AFFORDABLE HOUSING

### Original Idea was traditional 4% LIHTC Housing
Serving 60% and below

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Amount</th>
<th>Per Unit</th>
<th>Uses of Funds</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax-Exempt Loan</td>
<td>$25,070,000</td>
<td>$115,000</td>
<td>Land Costs</td>
<td>$3,550,000</td>
<td>$16,284</td>
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<tr>
<td>Federal Tax Credit Equity</td>
<td>13,372,400</td>
<td>61,341</td>
<td>Construction Costs</td>
<td>33,500,000</td>
<td>153,670</td>
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<td>State Tax Credit Equity</td>
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<td>Financing and Interest</td>
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<td>State and Local Soft Funds</td>
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<td>Soft Costs &amp; Tap Fees</td>
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<td>Deferred Developer Fee</td>
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<td>Developer Fee</td>
<td>1,160,000</td>
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<td>Funded Property Reserves</td>
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<td>0</td>
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<tr>
<td><strong>Total Sources of Funds</strong></td>
<td><strong>$45,400,000</strong></td>
<td><strong>$208,257</strong></td>
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Assumes 218 units

Tax credit equity pricing of $1.00

Assumes State of Colorado LIHTC award

All units restricted at 60% AMI rents - average $1,200 per unit rent
ISSUES WITH TRADITIONAL TAX CREDIT FINANCING

Debt must be committed up front at a fixed rate
Premiums and prepayment lock-outs

Rigid tax credit equity structures
Difficult to refinance or increase leverage

Tax credit investors will not take “market” risk
100% affordable deals

Inability to use typical financing structures
Subordinate or mezzanine debt

Bond executions are complicated
High transaction fees and regulatory restrictions
AFFORDABLE HOUSING TO WORKFORCE HOUSING

Noticed an underserved group of renters
Severely rent burdened

Depletion of naturally occurring workforce housing
Acquisitions of class B and C properties to “Add Value”

Workforce housing critical for communities experiencing high job growth and economic development
FINANCING WORKFORCE HOUSING
WORKFORCE HOUSING FUNDAMENTALS

Optimize yield on cost with market rate units
Subsidizing 80% AMI affordable rents

Flexible, shorter term permanent debt financing with a forward commitment

Lower cost, shorter term subordinate debt
To leverage the overall equity returns

Social impact equity investor as limited partner capital provider

Significant equity co-investment from the developer / sponsor
To manage risk optics
Developer and limited partner capitalized the project with land value and cash equity totaling 30% of project cost.

Utilized conventional construction loan.

CHFA provided short term, subordinate bridge financing $4 MM (9% of project cost).

Impact Development Fund (CDFI) provided additional subordinate bridge financing $2.0 MM (5% of project cost).

Prudential Affordable Mortgage to secure Freddie Mac forward commitment $33.0 MM ensuring repayment of construction and subordinate loans.

No traditional LIHTC financing subsidies.
## WORKFORCE HOUSING: SOURCES AND USES OF FUNDS

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<td>Construction Loan</td>
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<td>Land Costs</td>
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<tr>
<td>Impact Development Loan</td>
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<td>Financing and Interest</td>
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<td>Developer and LP Equity</td>
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<td>Soft Costs &amp; Tap Fees</td>
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<td>Gap</td>
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Includes forward commitment fees of $33.0MM Freddie loan

No other City of Denver, CHFA or State of Colorado subsidy

25% of Units restricted to 80% AMI rents