Naturally Occurring Affordable Housing (NOAH)

Andy Hughes
September 24, 2018
CommonBond and NOAH

CommonBond has thoughtfully approached unsubsidized affordable rental housing preservation, and built a mission case and a business plan organized around three important factors for success.

Operating this product type will be different than subsidized housing. Understanding and preparing for those differences will help us succeed.

Purchasing and rehabbing these properties will require the use of different resources, some existing, some that we are developing ourselves.

Operating and capital models will deliver results if we are able to acquire properties. We will use networks and creative structures to acquire now and when the market changes.
THE HOUSING GAP IS WIDENING...

YOUR INVESTMENT CAN CLOSE THE GAP.

Invest in the preservation of affordable workforce housing. You’ll support our economy, our neighborhoods, and our diverse cultures through CommonBond Communities’ Housing Opportunity Fund.
What success looks like

- **Market rents** (driven by profit motivated owners / investors)
- **CommonBond rents** (driven by mission and socially motivated investors)
CommonBond NOAH Case Comparison

Rainbow Plaza  Anoka, MN
- 105 units
- $9.1m, Freddie & Mercy JP Morgan Chase
- +/- 60% AMI
- Vouchers in great schools (8-10 score)

Boulder Ridge  Apple Valley, MN
- 112 units
- $18m, FHA & Enterprise Community Loan
- 69% - 74% AMI
- Large family units

Pine Point  Coon Rapids, MN
- 68 units
- $6.9 m, Freddie & NHT-E
- +/- 60% AMI
- Vouchers in schools w/ strong performance for kids of color
Boulder Ridge
Apple Valley, MN
Rainbow Plaza
Anoka, MN

Pine Point
Coon Rapids, MN
# CommonBond NOAH Case Comparison

<table>
<thead>
<tr>
<th>Uses</th>
<th>Boulder Ridge</th>
<th>Rainbow Plaza</th>
<th>Pine Point</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$18.0 Million</td>
<td>$9.1 Million</td>
<td>$6.9 Million</td>
</tr>
<tr>
<td>Acquisition</td>
<td>90%</td>
<td>82%</td>
<td>79.50%</td>
</tr>
<tr>
<td>Improvements</td>
<td>5%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>1%</td>
<td>2.5%</td>
<td>3%</td>
</tr>
<tr>
<td>Reserves</td>
<td>3%</td>
<td>.5%</td>
<td>.5%</td>
</tr>
<tr>
<td>Fees</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First</td>
<td>HUD 59%</td>
<td>Freddie 64%</td>
<td>Freddie 66%</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td>NHT - E 25%</td>
</tr>
<tr>
<td>Corporate Debt</td>
<td>Enterprise Pohlad 31% 7.5%</td>
<td>Mercy 22%</td>
<td></td>
</tr>
<tr>
<td>GP Equity</td>
<td>2.5%</td>
<td>14%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Thank you! Stay in touch.

Andy Hughes
Director of Acq./Development
CommonBond Communities
andy.hughes@commonbond.org