

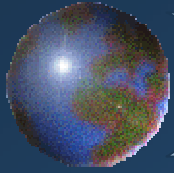
# *Mississippi Gulf Coast Housing Finance Forum*

**ULI Panel Recommendations  
Mississippi Gulf Coast Renaissance  
Corporation**

**Biloxi, Mississippi**

**May 18, 2007**

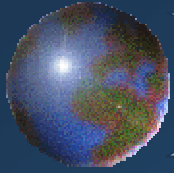




# *The Urban Land Institute*

**ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.**





# *Special Thanks*

**Anthony Topazi**

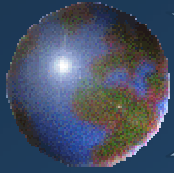
**Laura Davis**

**Renaissance Corporation Board**

**Sherry Leshner**

**Joyce Hart**





# *Panel Members*

## Chairs

John K. McIlwain, ULI Senior Fellow for Housing

Thomas Murphy, ULI Senior Fellow for Urban Development

Kermit Billups, Capmark Finance Inc.

Bill Brown, Fannie Mae

Richie Butler, CityView

Anthony S. Freedman, Holland & Knight LLP

Thomas Howorth, Howorth & Associates Architects

Randall W. Kahn, Capmark Finance Inc.

Jeffrey Lubell, Center for Housing Policy

Kevin J. McCormack, McCormack Baron Salazar

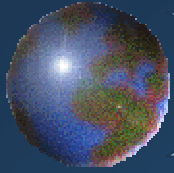
Douglas J. Moritz, DOMO Consulting LLC

Mark Schneider, Fourth River Development

Mary Reilly, Brophy Reilly LLC

Marvin Siflinger, Housing Partners Inc.

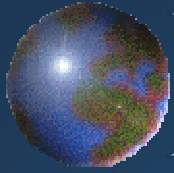




## *Panel Process*

- **Brought together 14 national housing experts**
- **Reviewed briefing materials prepared by Renaissance Corporation**
- **Met in Washington, DC on April 10th and 11th**
- **Toured Gulf Coast several times**
- **Met and interviewed over 50 people in the private and public sector on the Coast**

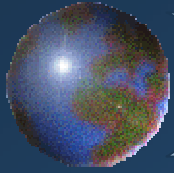




# *Renaissance Corporation*

**In the wake of Hurricane Katrina, top leaders on the Mississippi Gulf Coast formed the Gulf Coast Business Council to provide a unified, regional platform from which to promote public policy aimed at improving the economic vitality and quality of life on the Coast. Housing is a critical concern for the Business Council. To address this issue, the Council formed a separate, not-for-profit, private corporation – the Gulf Coast Renaissance Corporation.**

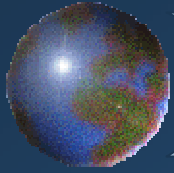




## *Vision*

**To serve as the capstone organization in the rebuilding of the Mississippi Gulf Coast by removing obstacles to redevelopment, creating partnerships, and stimulating investment in order to create vibrant, diverse, sustainable communities that offer residents the highest quality of life.**

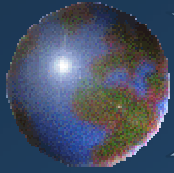




## *Mission*

To facilitate the development of mixed income communities which provide safe, quality, affordable housing for the workforce of the Mississippi Gulf Coast.

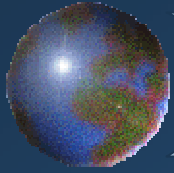




## *Goal*

To affect the development of 10,000 housing units, with no less than 30% of the units geared toward the workforce earning below 120% of Area Median Income (AMI).

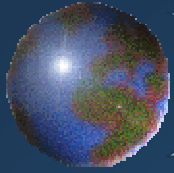




# *Program Principles*

- Promote the redevelopment of housing with:
  - Programs that are fair and simple to administer
  - Traditional Neighborhood Design
  - Smart Growth Principles
  - Mixed Income
  - Mixed Use
  - Long-Term Affordability
- Balance resources with capacity

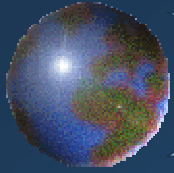




# *Design Principles*

- **Integrate into existing neighborhoods**
- **Create a sense of place**
- **Create community spaces**
- **Incorporate sustainability and energy efficiency**
- **Ensure quality design and construction**

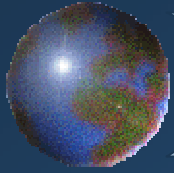




## *Panel Recommendations*

- **Employer Assisted Housing Program**
- **Gap Financing for Homeowners**
- **Mixed Income Rental Program**
- **Land Acquisition**
- **Developer Assistance**
- **Advocacy and Education Campaign**
- **Corporate Structure**

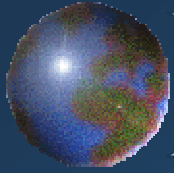




## *10,000 Units of Housing*

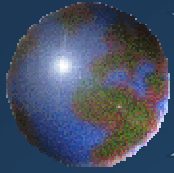
- 1,000 workforce homeownership units created through an Employer Assisted Housing program
- 1,000 workforce homeownership units created through gap financing designed for existing homeowners
- 6,000 mixed income homeownership units created through land acquisition and assistance to developers
- 2,000 mixed income rental units created through assistance to developers





*1,000+ Units of Employer  
Assisted Housing (EAH)*

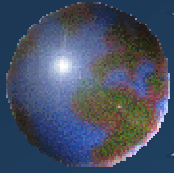




## *Employer Assisted Housing (EAH)*

- We recommend seeking State legislation for an employer assisted housing tax credit and supporting efforts for a Federal employer assisted housing tax credit
- Pending such legislation, we recommend starting and EAH program this summer
- Passage of legislation at the State or Federal level will significantly enhance the program we recommend

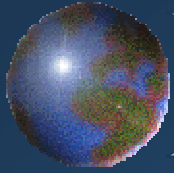




## *Employer Assisted Housing (EAH)*

- **Would assist at least 1,000 families at below 120% AMI to purchase homes**
- **For example, a family could receive up to \$70,000 in forgivable/soft mortgage assistance made up of:**
  - **\$10,000 from employer**
  - **\$60,000 funded by CDBG money leveraged by New Markets Tax Credits**

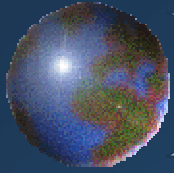




## *Employer Assisted Housing (EAH)*

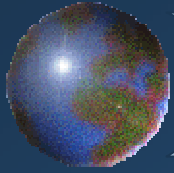
- Money from employers is forgivable over time to encourage employee retention
- Silent mortgages are structured to be paid upon resale
- Funds revolve to provide assistance over the long-term
- Homeownership education is included





# *Gap Financing for 1,000 Homeowners*

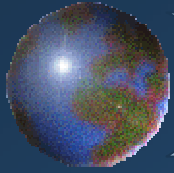




## *Gap Financing for Homeowners*

- Program geared towards existing homeowners that need assistance to rebuild beyond that provided by CDBG grants given to homeowners by the State
- Most will earn below 100% of AMI
- The average family would receive \$20,000

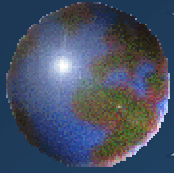




## *Gap Financing for Homeowners*

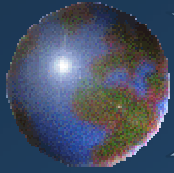
- 50% of a \$20,000 loan would be funded by CDBG in the form of a silent mortgage to be repaid with no interest at time of sale or refinancing
- 50% of a \$20,000 loan would be funded by private market capital in the form of a silent mortgage to be repaid with a percentage of property appreciation





*Land Acquisition and Developer  
Assistance to Affect the  
Development of 6,000 Mixed-  
Income Homeownership Units*

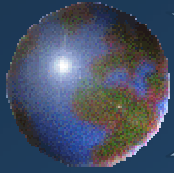




# *Land Acquisition - Strategy*

- **Review current community redevelopment plans**
- **Seek to Identify**
  - **Corridor Projects**
  - **Potential flagship mixed-use projects**
  - **Potential infill site projects**
- **Identify projects and parcels of opportunity**
- **Coordinate land assembly options/sales agreements with land acquisition strategies of for-profit and non-profit developers**

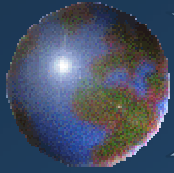




## *Land Acquisition - Financing*

- **Create Gulf Coast Site Acceleration Fund**
  - **\$8MM Private equity**
  - **\$20MM Line of Credit (Local lenders/Fannie Mae)**
  - **\$20MM CDBG (Potential use as loan loss reserve to create more leverage)**
  - **Total of \$48 MM for land acquisition**

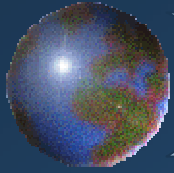




## *Land Acquisition - Implementation*

- **Developer Recruitment**
- **Support Development Entitlements**
- **Ensure design and program principles in final development plan**
- **Loans repaid in 3 - 5 years**
- **Recommend State legislation regarding tax delinquent properties**

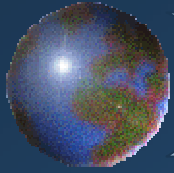




## *Developer Assistance*

- **Pre-development fund (\$4 MM)**
  - **Recoverable loan - \$150,000 max**
  - **2 to 1 match**
  
- **Credit enhance acquisition and construction loans (\$4 MM)**

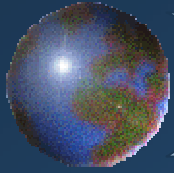




## *Developer Assistance - Small Developer Loan Fund*

- New Markets Tax Credits can be used to create a loan fund for small developers.
- The fund will provide acquisition, predevelopment and development funding to assist small developers producing between 5 and 20 units of single family housing.

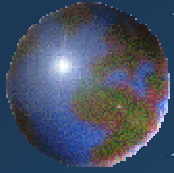




## *Developer Assistance*

- **Create the Renaissance Builder/Developer Guild**
- **Certify members who commit to achieving specific standards in the following areas in all their developments**
  - **Energy**
  - **Wind**
  - **Sustainable Design and Construction**
  - **Mixed Use/Mixed Income**

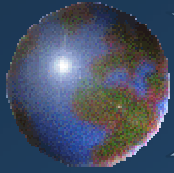




## *Developer Assistance*

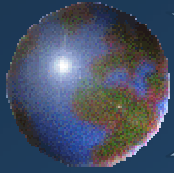
- **Work to promote new approaches to development**
  - **Modular**
  - **Live work**
  - **Granny flats**





# *2,000 Units of Mixed- Income Rental Housing*

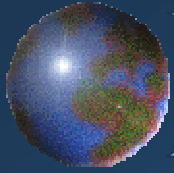




## *Facilitate Mixed Income Rental*

- **The 100% affordable Low Income Housing Tax Credit deals can be turned into mixed-income rental housing**
- **The price is steep but will break the log jam of opposition against these projects**
- **CDBG can be used to help developers meet the increased cost of building mixed income rental housing**



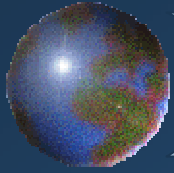


## *Rental Housing*

### *Support the State's Small Rental Program*

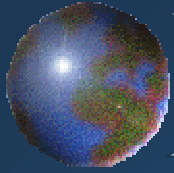
- **Provide predevelopment acquisition and construction financing**
- **Provide developer training and assistance**
- **Assist with the creation of mixed income rental housing**





# *Education, Information and Advocacy*

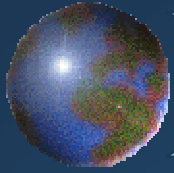




# *Educational Campaign*

- **Mixed Income/Mixed Use Development**
- **Modular Housing**
- **Smart Growth**
- **Workforce Housing**

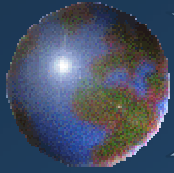




## *Information Campaign*

- **Work with the Stennis Space Center and others to complete development of a publicly available GIS database**
- **Develop and update market data information and make widely available**

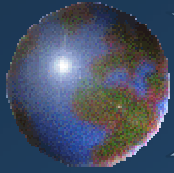




# *Advocacy Role*

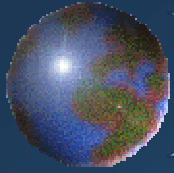
- **Advocate for:**
  - **Coordinated planning**
  - **Smart Growth**
  - **Environmental and Energy Sustainability**
  - **Quality design**
- **Finance only those projects that meet the above criteria**



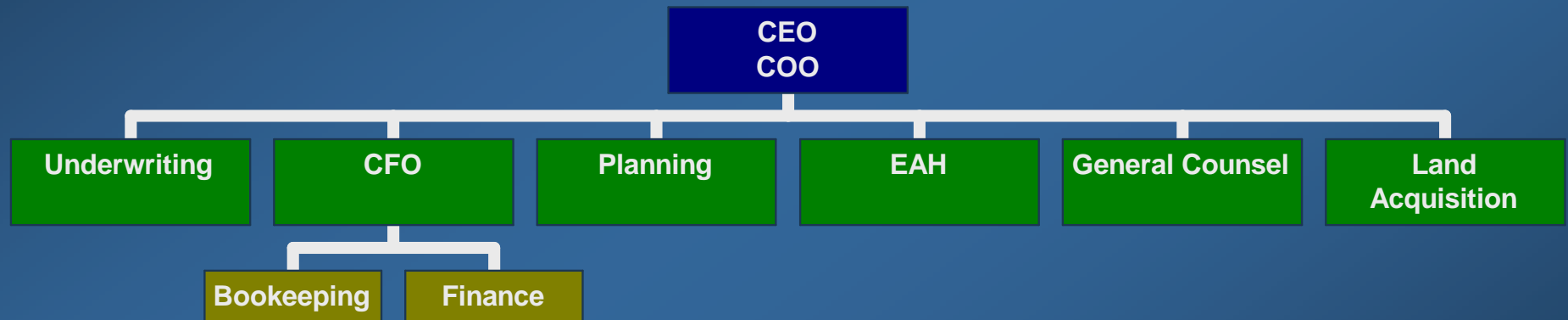


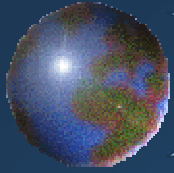
# *Corporate Structure*





# Organizational Chart





# *Relationships*

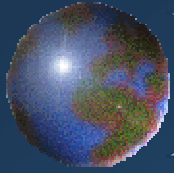
## **With State:**

- **Recognition of Renaissance Corporation plan**
- **Designation of Renaissance Corporation as implementing agent**
- **Manage up/down**

## **With Local Governments and NGOs:**

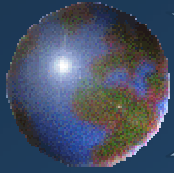
- **Agree on defined roles and responsibilities**





# *Short-term and Long-term Goals*

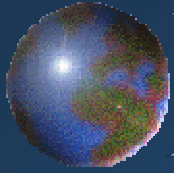




## *Goals for Next 6 Months*

- **Get State commitment for CDBG funds**
- **Fully staff up**
- **Get employers to commit to 1,000 units of EAH housing**
- **Partner with lenders to provide gap financing to homeowners**
- **Acquire sites through the Site Acceleration Fund**

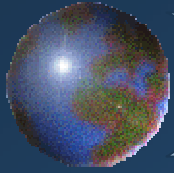




## *Goals Continued*

- Partner with a LIHTC developer to break ground on a mixed income rental development
- Apply for New Markets Tax Credits and set up Small Developer Loan Fund
- Create coalition of local governments and non-profits to work on advocacy and education campaign

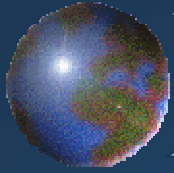




## *Recap - Leverage public money with private investment to:*

- **Create 1,000+ workforce homeownership units with the Employer Assisted Housing Program**
- **Create 1,000 workforce homeownership units by providing gap financing to homeowners**

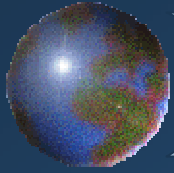




## *Recap - Leverage public money with private investment to:*

- **Affect the production of 6,000 mixed income homeownership units by:**
  - **Creating a Site Acceleration Fund**
  - **Providing developers with pre-development funds and credit enhancing acquisition and construction loans**
  - **Creating the Small Developers Loan Fund**

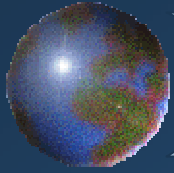




## *Recap - Leverage public money with private investment to:*

- Support the State's Small Rental Program by providing predevelopment and acquisition financing and developer training and assistance to facilitate the development of rental units
- Partner with LIHTC projects to create mixed income rental housing





*Long Term Vision - Leverage  
\$100MM in public money to create \$2  
Billion in Development Over 10 Years*

- **Rebuild the Coast with high quality design and construction**
- **Put an institutional structure in place for planning, financing and implementation**
- **Ensure continued housing program funding by creating revolving funds to maintain program support**

