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July 13-15, 2015  
Hyatt Regency  
Minneapolis, MN



# Financial Tools for Preserving Affordability of Market Rate Properties

1:45 p.m. – 3:00 p.m.

*Moderator*

**Deidre Lal Schmidt**

President and Chief Executive Officer, CommonBond Communities

*Discussion Leaders*

**Chris Herrmann**

Vice President, Syndication, Enterprise Community Investment, Inc.

**Cindy Holler**

President, Mercy Housing Lakefront

**Colleen Schwarz**

Vice President of Affordable Housing, Community Reinvestment Fund, USA

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## **Mercy Housing and HPET: What is the Housing Partnership Equity Trust?**

- The Housing Partnership Equity Trust (HPET) is an independently capitalized operating company LLC (Upper Tier) that makes JV investments (Lower Tier) with its non-profit members to acquire and operate existing multi-family properties. The Upper Tier includes a REIT Subsidiary that partners with individual non-profits at the Lower Tier.
- 12 high-production non-profits, including Mercy Housing and the Housing Partnership Network are managing members of the entity at the Upper Tier and sourcing agents for transactions.
- Participation in HPET requires that a Non-Profit Member makes an equity investment in the Upper Tier entity and has the ability to make at least a 5% of TDC equity investment in any properties it acquires through a JV with HPET

# Current Portfolio: Asset Overview

## 2000 Illinois Apartments



2000 W Illinois Ave Aurora, IL

Units:	128
Year Built/Reno:	1974/NA
Building Type:	Mid-Rise

### Deal Summary:

- Closed 04/26/2013
- Purchase Price: \$5.2 MM
- Rehab Budget: \$1.5 MM
- Managing Member: Mercy Housing
- Affordability Criteria: Relief to the Poor and Distressed

Capital Stack	
Existing Debt	\$ 4,434,757
HPET Equity	2,550,649
Member Equity	367,653
<b>Total Investment:</b>	<b>\$ 7,353,059</b>
Expected Return	
Investment Stabilized	
Year Cash Flow:	\$ 429,303
Yield on Cost:	5.84%
Yield on Cash:	6.83%
Unlevered IRR:	5.96%
Levered IRR:	8.47%



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