

BRICKS & MORTAR

PENNROSE

HEART & SOUL

Attainable Rental Housing

Housing Need, Definitions and Possible Solutions

June 3, 2024

OUTLINE

Pennrose Overview

Housing Need

Definitions

Schedules

Financing

The Solutions

Next Steps



Pennrose - Who We Are

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HEART & SOUL

- Nationally acclaimed multifamily real estate developer and manager.
- Reputation for quality, a commitment to diversity, and a broad vision that allows us to consistently produce great communities.
- Enthusiastic and skilled collaborators.
- Specialists in multi-family, mixed-use, and homeownership development.
- Recognized experts in complex, multi-phase, mixed-finance, urban and suburban development.



Mission

Our committed team of exceptional professionals transforms communities by creating high quality real estate developments and delivering outstanding value to our clients and partners.

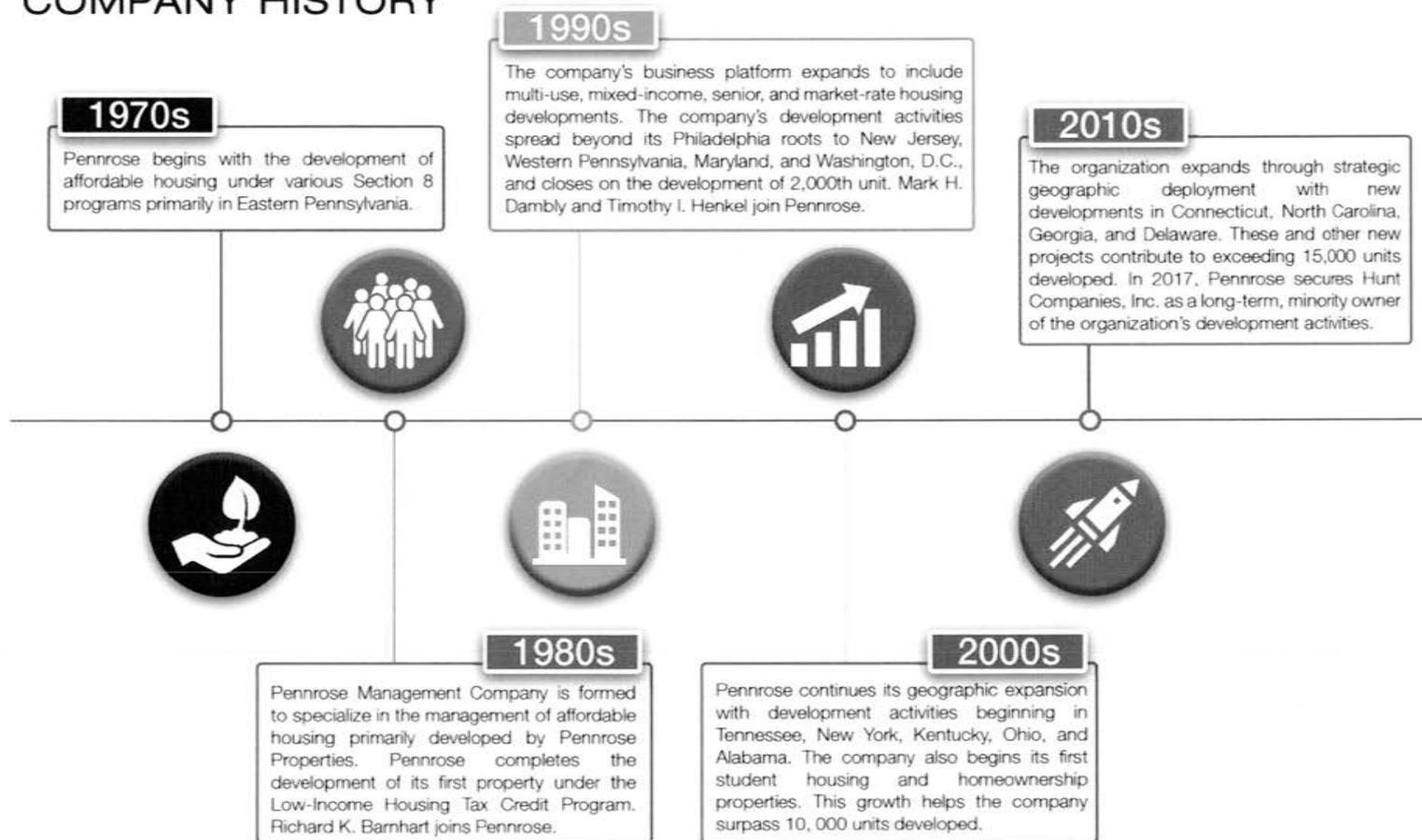
Vision

Considered by all to be at the top of the multifamily and real estate industry, fueled by high caliber talent, financial strength, and a culture of continuous innovation of business practices.



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PENNROSE COMPANY HISTORY



By the Numbers

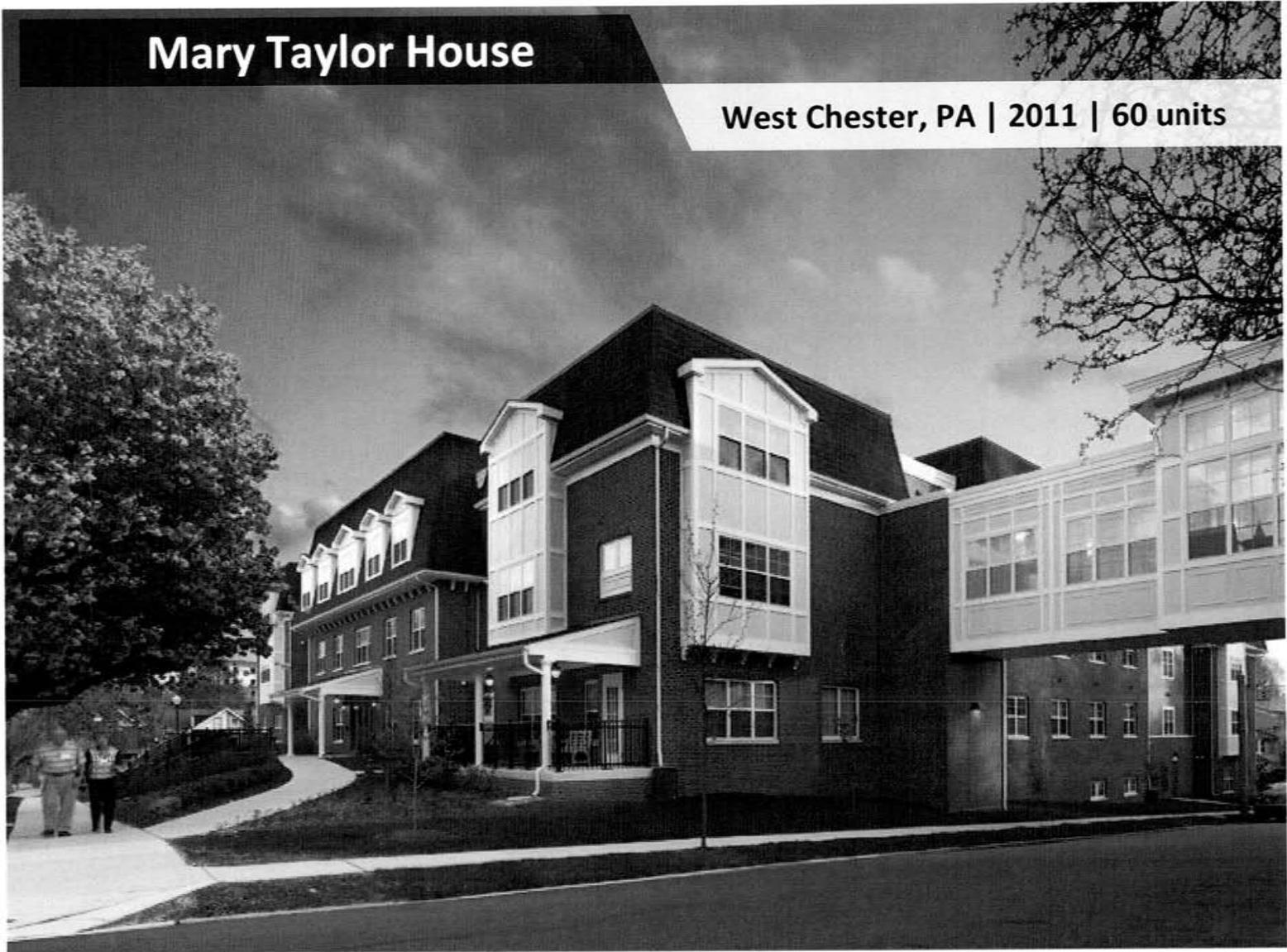


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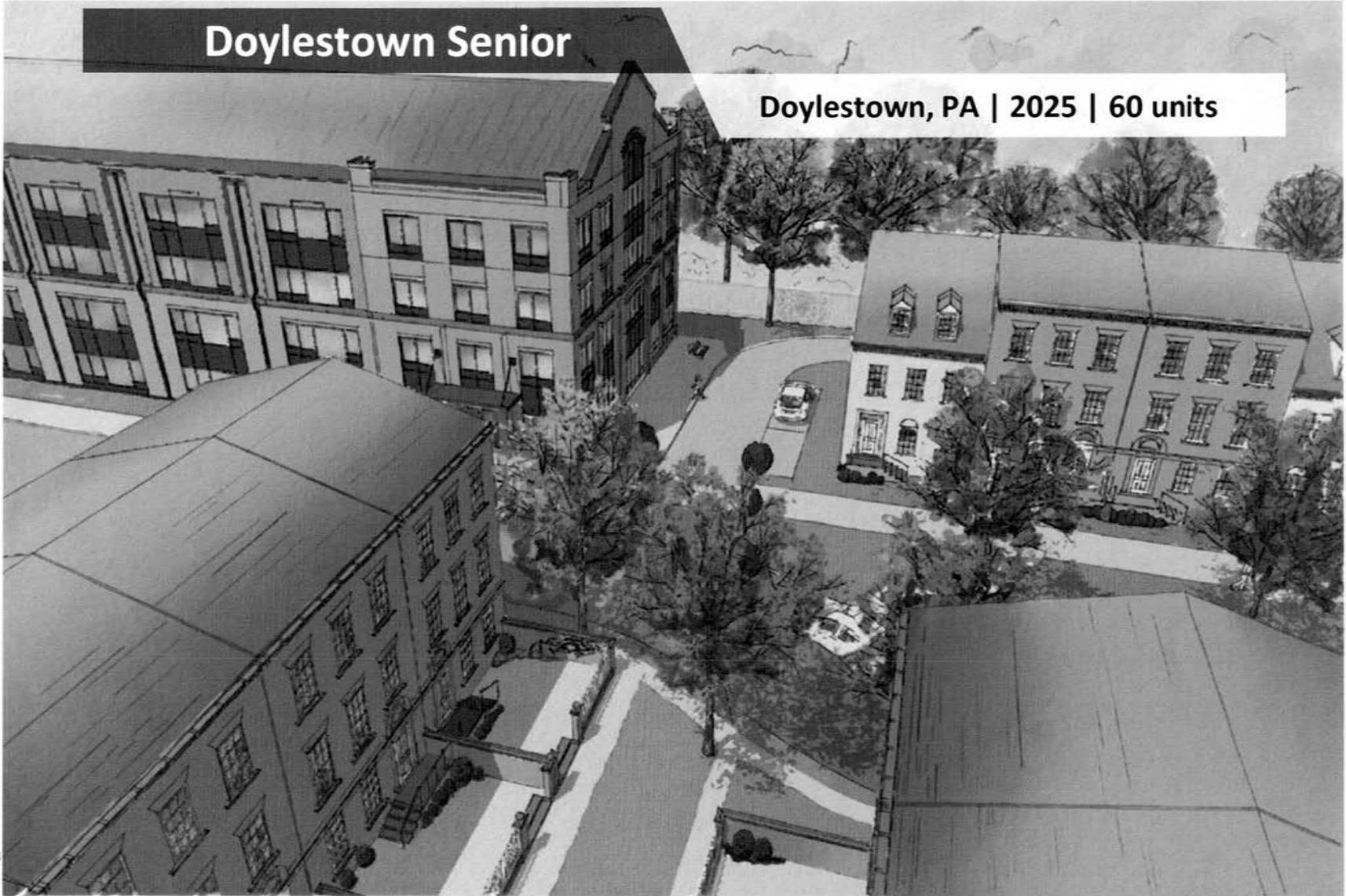
Mary Taylor House

West Chester, PA | 2011 | 60 units



Doylestown Senior

Doylestown, PA | 2025 | 60 units



Sharswood Crossing

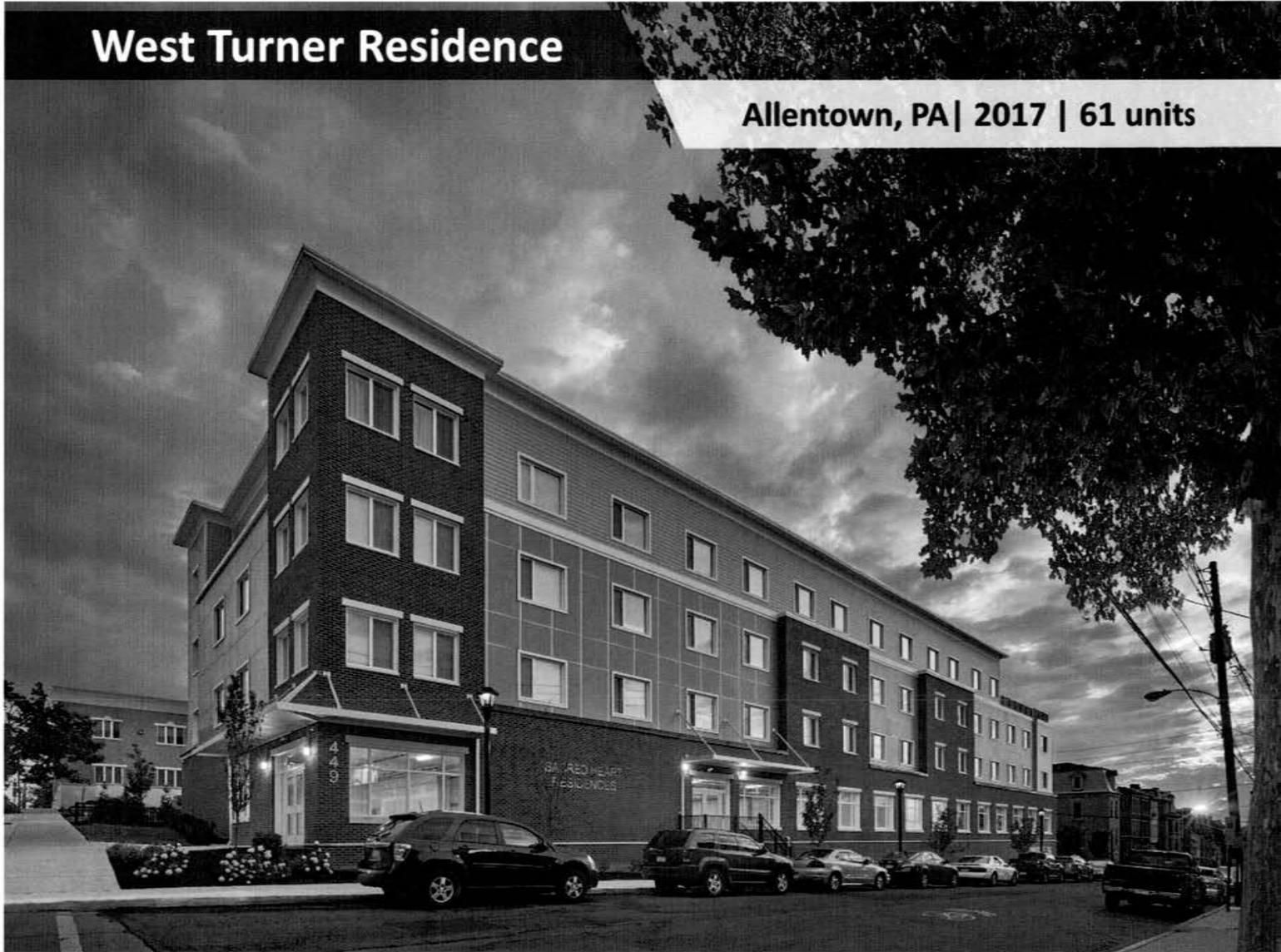
Philadelphia, PA | 2024 | 60 units



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West Turner Residence

Allentown, PA | 2017 | 61 units



Meriden Commons

Meriden, CT | 2018 | 75 units

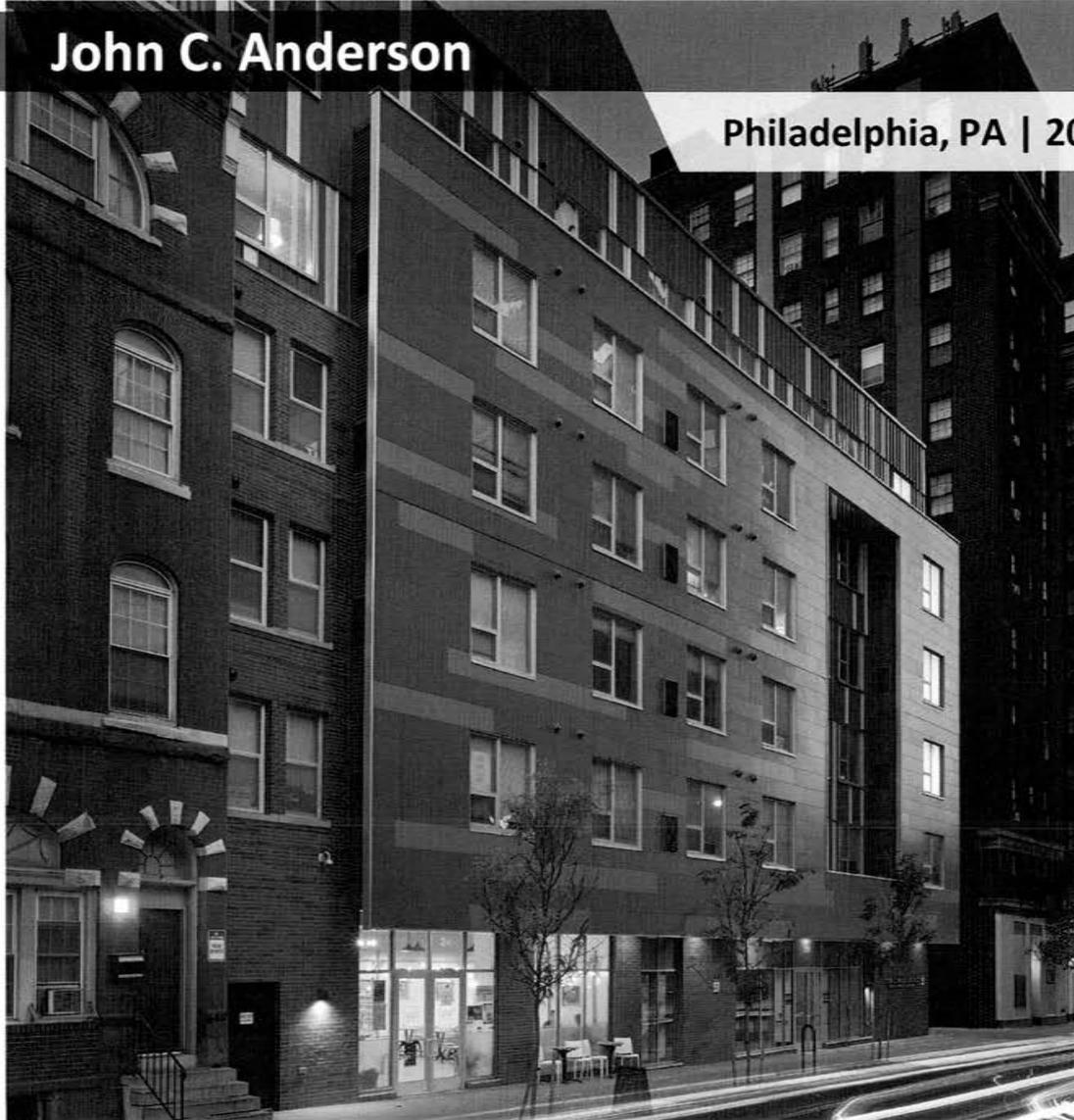


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John C. Anderson

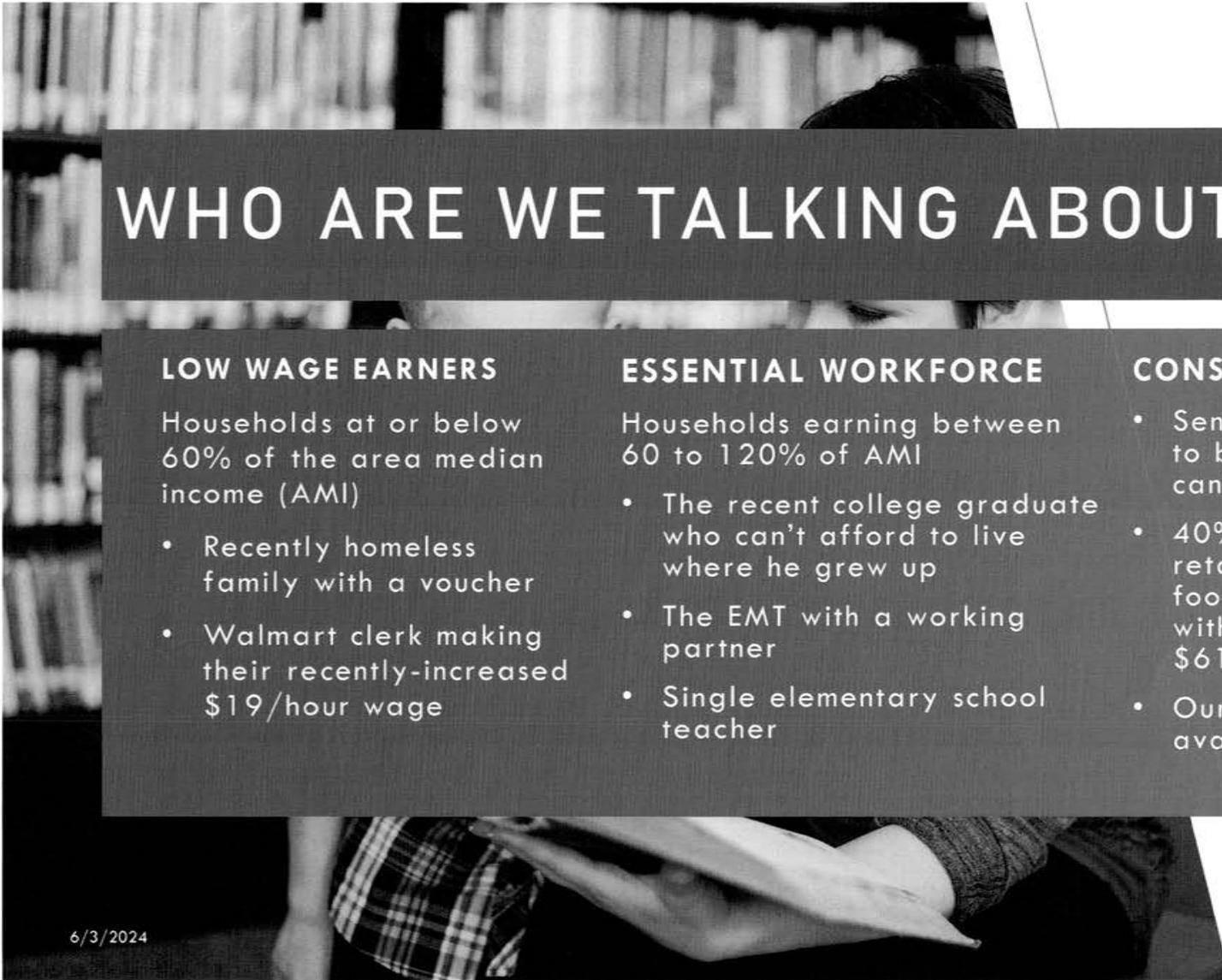
Philadelphia, PA | 2014 | 56 units



WHAT'S THE PROBLEM?

- In April 2024, the median listing price for housing in Narberth was over \$910K.
- Rents: \$1k-1.5k: 7%, \$1.5k-2k; 81%, \$2k+ 13%
- Many can't live in the area where they work.
- Nearly half of renters are Cost Burdened – paying more than 30% of their income.
- Affordable Developments have 10X waiting lists over # of affordable units.





WHO ARE WE TALKING ABOUT?

LOW WAGE EARNERS

Households at or below 60% of the area median income (AMI)

- Recently homeless family with a voucher
- Walmart clerk making their recently-increased \$19/hour wage

ESSENTIAL WORKFORCE

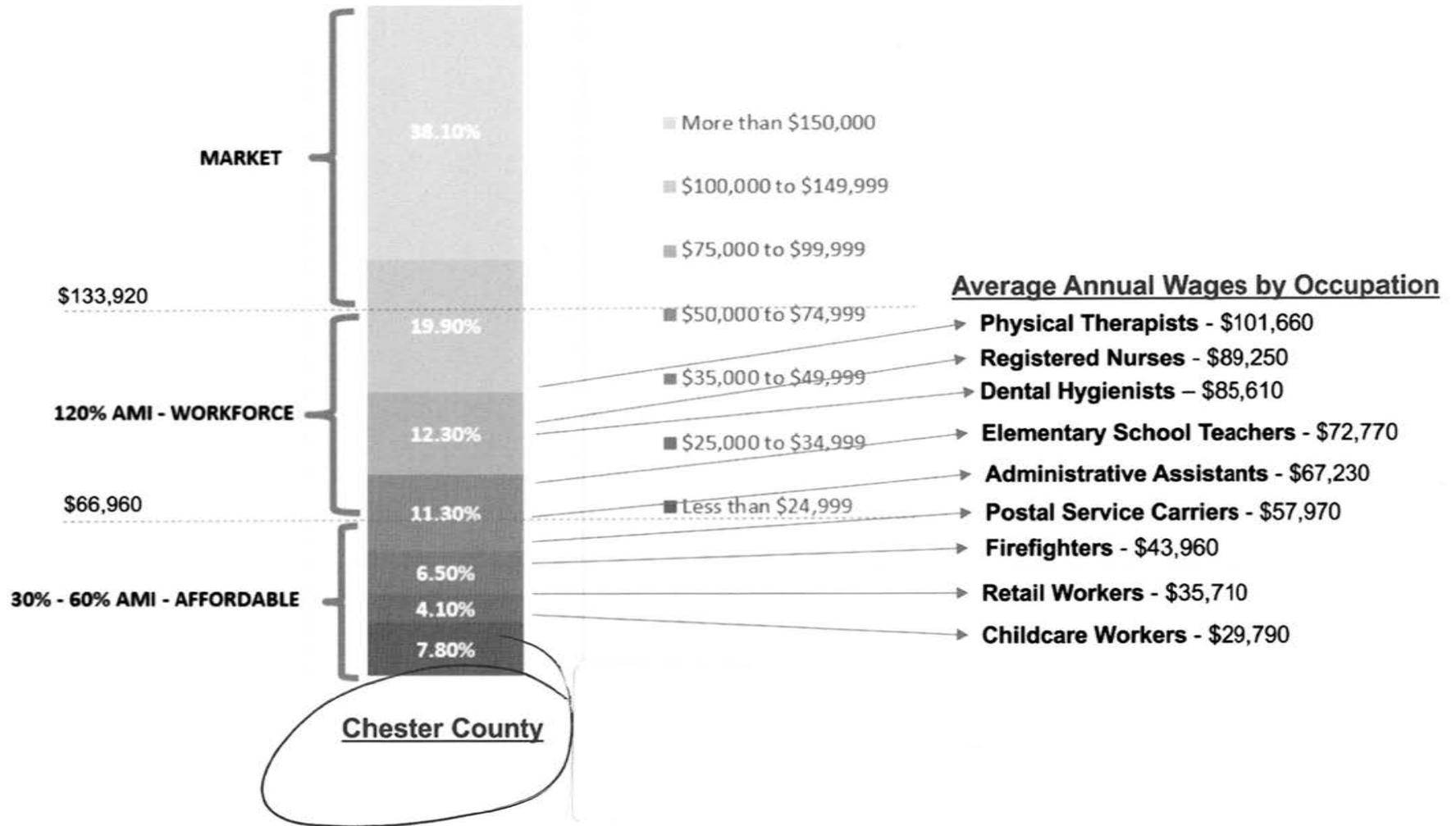
Households earning between 60 to 120% of AMI

- The recent college graduate who can't afford to live where he grew up
- The EMT with a working partner
- Single elementary school teacher

CONSEQUENCES

- Seniors who want to move here to be closer to their families can't
- 40% of our workforce is in retail, health care, hospitality, food service, and education jobs with median salaries less than \$61K – and they're in trouble
- Our economic success is tied to available, affordable housing

Households by Annual Income, 2023



Affordable vs. Attainable/Workforce Definitions

Affordable Housing = Low Income Housing Tax Credits

- Rental Homes
 - 40% of Units at 60% of AMI
 - 20% of Units at 50% of AMI
- AMI listed by HUD per County
- LIHTC's typically fund 50-70% of the development
- 30% of tenant income should be spent on housing

Attainable / Workforce Housing

- Rental Units 60% - 120% of Area Median Income
- Attainable units must be subsidized either by Affordable Units, Gap Financing or Master Leases
- Mixed-Income = Affordable & Attainable in same community

Affordable vs. Attainable Rent & Income Chart – Montgomery County

COUNTY	% OF MEDIAN	MEDIAN INC EFF. DATE	HOUSEHOLD SIZE					
			1 PERSN	2 PERSN	3 PERSN	4 PERSN	5 PERSN	6 PERSN
MONTGOMERY	20%	114,400	15,640	17,860	20,100	22,320	24,120	25,900
	30%	5/15/2023	23,460	26,790	30,150	33,480	36,180	38,850
	40%		31,280	35,720	40,200	44,640	48,240	51,800
	50%		39,100	44,650	50,250	55,800	60,300	64,750
	60%		46,920	53,580	60,300	66,960	72,360	77,700
	70%		54,740	62,510	70,350	78,120	84,420	90,650
	80%		62,560	71,440	80,400	89,280	96,480	103,600

COUNTY	% OF MEDIAN	RENT				
		EFF	1BRM	2BRM	3BRM	4BRM
MONTGOMERY	20%					
	30%	391	418	502	580	647
	40%	586	628	753	870	971
	50%	782	837	1005	1161	1295
	60%	977	1046	1256	1451	1618
	70%	1173	1256	1507	1741	1942
	80%	1368	1465	1758	2031	2266

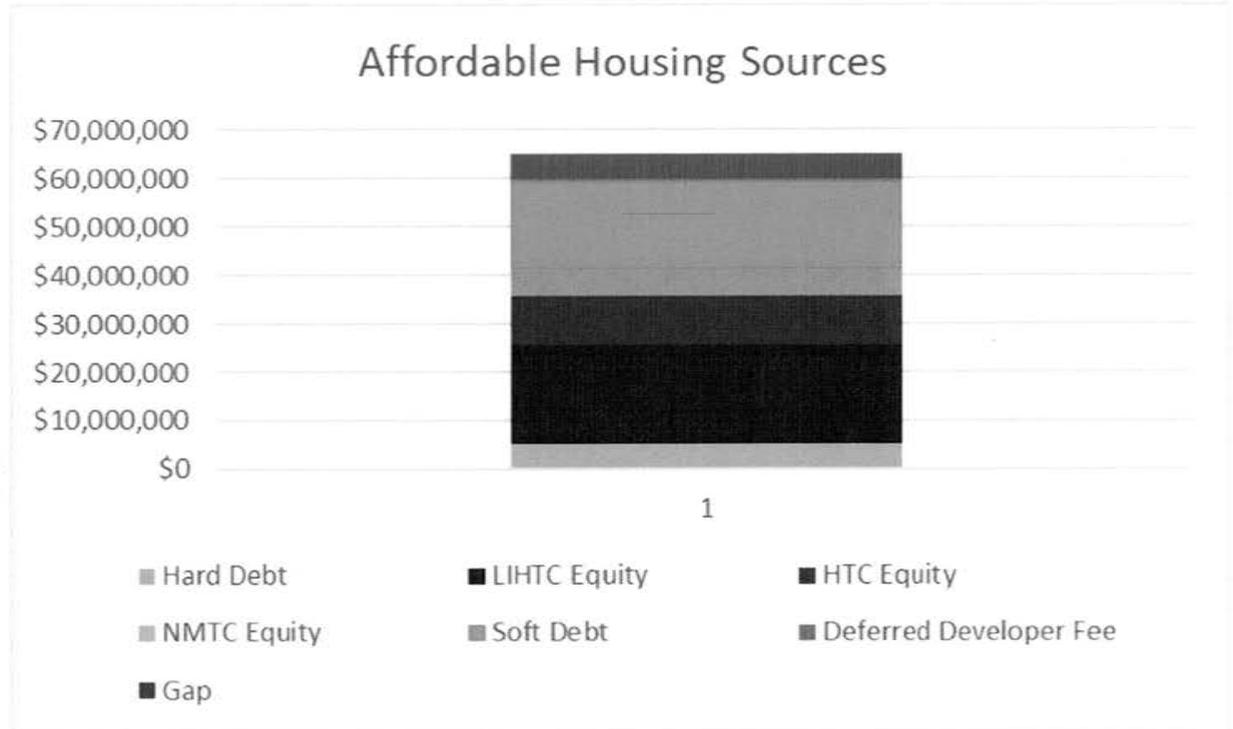
Typical Development Schedule

County Application	March 2024	(Need Site Control Document)
County Awards	May/June 2024	
FHLB Application	August 2024	
LIHTC Application	December 2024	
Tax Credit Application Award	May 2025	(Need Pathway to Zoning)
Financial Closing	May 2026	(Need Fast Land DVMT Approvals)
Construction Start Date	May 2026	
Construction Completion	July 2027	(Need Fast Inspections)
Lease Up Start Date	July 2027	
Lease Up End Date	December 2027	

Ohio

How is Attainable Housing Funded?

Hard Debt	\$5,287,089	8%
LIHTC Equity	\$20,229,750	31%
HTC Equity	\$10,209,579	16%
NMTC Equity	\$5,596,500	9%
Soft Debt	\$17,958,195	28%
Deferred Developer Fee	\$638,062	1%
Gap	\$5,322,370	8%
	\$65,241,546	100%



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POSSIBLE SOLUTIONS

Processes, Policies, and Tools to Solve
the Housing Dilemma

ZONING & PERMITTING PROCESSES

- Attainable/Affordable Use Ordinances
- Density bonuses
- Reduced parking requirements <1:1
- Ease Dimensional Zoning (Setbacks)
- Accessory dwelling units
- Expedited permitting & reduced fees



LAND PLANNING PROCESSES

- Use vacant or under-utilized public land for affordable housing
- Identify “Housing Champion” in Leadership



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WHAT'S NEXT?

- Address Zoning Restrictions to Attainable Housing
- Identify land/redevelopment sites with mission driven and patient sellers.
- Educate the public on the need and possible solutions and build an army of supporters.

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Q&A

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