



Can We Build It?

Housing Project Development in Today's Market

Your Panelists



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Can We Build It?

- Current Market Conditions
- Property Assessment
- Financing Environment
- TIF Structure Considerations
- Municipal Support



**YES, WE
CAN!!**

Current Market Conditions

- Construction costs & availability (materials, labor)
- Interest rate increases (now stabilizing)
- Rent increases tapering off
- Operating expenses (insurance, etc.)

Property Assessment

- Valuation processes
 - ✓ Sales, income approach
- Assessment ratio
- Appreciation effect driving tax rates down
 - ✓ Lessens TIF impact

Financing

- Capital stacks – market rate vs. affordable
- Loan to value (LTV) decreasing
- Secondary financing (mortgage, monetized TIF)
- Additional sources (HOME, ARPA, WEDA, WHEDA)
- Expanding financing gap
- Equity investor return expectations
- Tax credits

TIF Structure Considerations

- Upfront vs. pay-as-you-go (PAYGO)
- PAYGO – mitigates municipal risk
- Priority of payments
- Other project plan expenditures
- Remaining term of TIF district

Municipal Support



- TIF process/policy
- Percent of increment/maximum dollar limits
- Communication with officials & staff
- Land contribution/write-down
- Impact fees/other
- Political support

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