

Rental Housing Development Finance Professional (RHDFP) Certification Program™

This three-course training series thoroughly examines the practice of affordable rental housing finance and development. Participants learn the steps of the housing development process, the techniques used to analyze and structure financing for rental housing deals, and the problem solving and negotiating skills needed to make complicated deals feasible. Topics include the rental housing development process, Historic Rehabilitation and Low-Income Housing Tax Credits, negotiating, problem solving, deal structuring and more.

HD420 – Rental Housing Development Finance

5 days

Prerequisite: None

The first course in the RHDFP Certification Program™, HD420 takes a detailed look at the financing and development of affordable rental housing. Participants learn the underwriting criteria used by lenders and rates of return demanded by private equity investors to determine their investment in a rental housing project. The course also explores methods for attracting the maximum private capital and techniques for using public funds to fill financing gaps. Specific topics include:

Rental Housing Development Process

- Key actors and their concerns
- Steps in the development process

Financial Projections

- Pro forma income and expense analysis
- Sources and uses of funds

Private Sector Financing

- Permanent lender ratio analysis
- Construction lending
- Construction management

Appraisals

- Three approaches to value

Tax Credits

- Rehabilitation tax credits
- Low-income housing tax credits

Discounted Cash Flow Analysis

- Present value theory
- Internal rate of return

Syndication

- Pricing benefits
- Investor concerns
- Partnership issues

Deal Structuring

- Altering rates of return
- Debt and equity investment vehicles

Rental Housing Development Finance Professional (RHDFP) Certification Program™ (cont.)

HD423 – Computer Spreadsheet Analysis For Rental Housing

3 days

Prerequisite: HD420

The second course in the RHDFP Certification Program™, HD423 incorporates the use of computer spread sheets designed to give participants the ability to apply the financial analysis techniques presented in the previous course. In this three-day course, participants learn to use spread sheets as a tool to locate and interpret key financial information and to restructure a rental housing transaction based on revised assumptions. More time is available to consider structuring options for rental housing case studies. Specific topics include:

Spread Sheet Basics

- Navigating financial analysis forms and spread sheets
- Entering data into computerized spread sheets
- Implications of changing project assumptions

Rental Housing Spreads Sheets

- Development budget
- Pro forma income and expense statement
- Sources of funds
- Tax and appreciation benefits

Debt and Equity Investment Vehicles

- Alternative mortgage instruments
- HOME
- CDBG
- Other financing programs

Rental Housing Development Finance Professional (RHDFP) Certification Program™ (cont.)

HD435 – Rental Housing Development Finance: Problem Solving and Deal Structuring

5 days

Prerequisite: HD420 and HD423

The third and final course in the RHDFP Certification Program™, HD435 blends the financial analysis techniques learned in the previous courses with the problem solving and negotiating skills that housing development practitioners use to close complex projects. This five-day course challenges participants to analyze and structure financing packages for rental housing deals that are complicated by a variety of factors, both financial and non-financial. Participants become skilled at the methods used to structure financing that most effectively leverages public dollars. Specific topics include:

Deal Structuring

- Identifying financial and non-financial issues
- Assessing participants
- Problem solving process
- Devising a negotiation strategy
- Mixed-use deals
- Low-Income Housing Tax Credit (LIHTC) deals
- Creative gap filling techniques
- Lease-purchase home ownership using LIHTC projects

Fees and Reserves

- Developer's compensation
- Investor requirements
- Permanent lender requirements
- Types of reserves
- Credit adjusters

Other Issues

- Appraising LIHTC deals
- Exit strategies for LIHTC deals
- Zoning
- Environmental issues