

## Industry Spotlight: Ron Diner

By Jennifer Dockery, Staff Writer, Novogradac & Company LLP

**R**on Diner, as president of Raymond James Tax Credit Funds Inc. (RJTCF), has been funding affordable housing for more than 25 years. The Buffalo, N.Y. native directs low-income housing tax credit (LIHTC) investments for Raymond James Financial (RJF), working from RJF's corporate offices in St. Petersburg, Fla., near his home in the St. Petersburg-Tampa area.

Each of Diner's days involves meeting RJF's "service first" objective for its investors and developers. As chair of RJTCF's investment committee, Diner, along with four other members of RJTCF's senior management team, approves all of the company's LIHTC investments. He maintains contact with developers and investors and works with the director of asset management on underperforming investment properties. He is also involved with RJTCF's database management system, which tracks investments and key performance indicators.

"RJTCF has been a sponsor of LIHTC funds since the program began in 1986, and has invested over \$2 billion in equity on behalf of our investor partners in more than 1,000 properties nationwide. To date all of our funds have been very successful providing benefits to our investors," Diner said. RJTCF invests more than \$300 million each year in the LIHTC program.

Diner is responsible for all aspects of RJTCF's tax credit business, including originations, underwriting, asset management, accounting and reporting, and overall relations with investors. He earned his undergraduate degree from Trinity College in Hartford, Conn. and an MBA from Columbia University School of Business in New York City. He previously served on the board of directors at the Council for Affordable Rural Housing (CAHR), a not-for-



*Photo: Courtesy of Raymond James Financial Inc.*

**Ron Diner, president, Raymond James Tax Credit Funds Inc.**

profit trade organization for members of the affordable rural housing profession.

Prior to joining RJF, Diner worked with a real estate development company and a major bank's real estate finance subsidiary

With the recent turmoil in the financial markets, many of

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the properties in RJTCF's database share some common traits.

"We continue to focus on sponsoring quality projects with quality developers. In addition, as active CRA (Community Reinvestment Act) investors represent a significant part of the current market of buyers, there is more of a focus on properties in larger MSAs (metropolitan statistical areas). We are dealing with a reasonable number of investors and, depending on their particular needs, that is where we are focusing," Diner said.

Until the market stabilizes, Diner says RJTCF is being conservative in taking on inventory and making commitments. Historically, RJTCF has been conservative when acquiring inventory and, consequently, has not been affected as strongly by the economic downturn. Diner believes that the additional tax credits that are available to states through H.R. 3221, the Housing and Economic Recovery Act of 2008 (HERA), and H.R. 1424, the Emergency Economic Stabilization Act of 2008, will also add stability to the market by providing a means of filling de-

velopments' funding gaps.

"We feel that investors appreciate RJTCF in this environment, given that we are part of a large conservative diversified company with no sub-prime issues and we believe our LIHTC portfolio's performance ranks among the top in the industry," Diner said.

He says developers also need to pay attention to the current market if they want to close their LIHTC deals.

"Beyond recognizing that prices are lower, and investors expect more reasonable guarantees from their developer partners, deals need to be as straight forward and conservatively underwritten as possible. Out-of-the-ordinary deals are very challenging to place right now," Diner said.

In the short-term, this will result in better deals for investors who will see higher returns and longer guarantees from developers. If the trend continues, Diner believes new investors will enter the LIHTC industry.

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ISSN 1940-4980

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“As yields have risen and regulatory changes such as AMT (alternative minimum tax) deductibility of tax credits take hold, more prospective investors seem to be closely examining the LIHTC asset class,” Diner said. “However, besides more conservative standards in terms of deal terms and pricing, we see the need to endeavor to make some changes that will allow new investors to consider LIHTC investments. Instead of a few investors dominating as the sources of equity, we need to create the opportunity for many investors to be a part of the program.”

Diner is optimistic about the future of the industry. He said that RJTCF plans to continue its investment strategy

of investing in quality developments with quality developers.

“People who know this industry know that there continues to be a need to provide affordable housing and they also know that the LIHTC program has been extremely effective as the vehicle to provide the housing..The housing that has been developed and the checks and balances provided in the LIHTC program have produced very good results,” Diner said. ❖

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*This article first appeared in the December 2008 issue of the Novogradac Journal of Tax Credit Housing.*

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