RAYMOND JAMES | AFFORDABLE HOUSING INVESTMENTS

OUTLOOK ON ASSET MANAGEMENT

TIMELY UPDATES AND RESOURCES FROM THE RJAHI ASSET MANAGEMENT TEAM

Table of contents

RJAHI Celebrates 50 Years of Affordable Housing Sponsorship	3
Property Spotlight	4
Compliance Corner	6
In Case You Missed It (ICYMI)	7
New Employee Spotlight	8
Meet the RJAHI Pays Team!	10
Where Do I Send My Reporting? (New Email Addresses)	11
Asset Management Contacts	12

Raymond James Celebrates 50 Years of Affordable Housing Sponsorship

ST. PETERSBURG, Fla. – In 2022, Raymond James celebrates its 50th year of creating safe, reliable and affordable housing for communities throughout the United States. To more accurately reflect the scope of the firm’s expertise, services and resources in the space, Raymond James Tax Credit Funds is changing its name to Raymond James Affordable Housing Investments (RJAHI), effective January 4, 2022.

RJAHI has grown into one of the largest sponsors of low-income housing tax credit funds since the inception of the tax credit program in 1986 and has been adapting and building on its expertise along the way. The firm enters its 50th year of service in this industry having invested over $13 billion in equity for more than 2,400 properties across the country. Through its focus on client service, excellent execution and strong industry expertise, RJAHI partners with affordable housing developers as well as institutional investors to deliver quality affordable housing projects to low-income families, seniors, veterans, Native American tribes and other populations.

“For 50 years Raymond James has brought affordable housing to thousands of vulnerable families and individuals in nearly all 50 states,” said Steve Kropf, president and CEO of RJAHI. “While we are changing our name to more accurately reflect the full suite of services and investments we offer our partners, our commitment to serving the community through building or rehabilitating quality housing projects is as strong as ever. We work tirelessly to do things the right way and it’s a privilege to lead this talented and dedicated team of professionals into the next 50 years of our mission.”

NATIVE AMERICAN NEWS:
Beyond the Investment: TC 8 Wishram

By David Kelly, Transitional Asset Manager

To date, the Yakama Nation has developed and managed six tax credit projects, 5 of which were syndicated with RJAHI. The seventh tax credit project, TC 8 Wishram, closed in March of 2021 and we wanted to highlight just how important this project is to the members of the Yakama Nation Tribe.

TC 8 Wishram is not located on the Yakama Reservation but is actually in Wishram, Washington which is just under 100 miles south of the reservation. This area is home to many tribal members that actually originated from the Wasco-Wishram, which are two Chinook Indian Tribes from the Columbia River in Oregon.

In 1855, the Wasco & Wishram were forced to sign treaties, ceding the majority of their lands to the United States. In exchange for $200,000 ($5.4MM today), 11 million acres of land was ceded with the promise that tribal members would have rights to fish and gather in certain areas. However, many promises of the treaty were broken, resulting in the Yakama War. Although after an initial victory by the confederation, Yakama leaders agreed to surrender.

The tribe’s benefited greatly from their proximity to the Columbia River, near The Dalles in Oregon. The river was a great resource for trading & to this day has provided members of the tribe with fish such as Salmon and Steelhead.

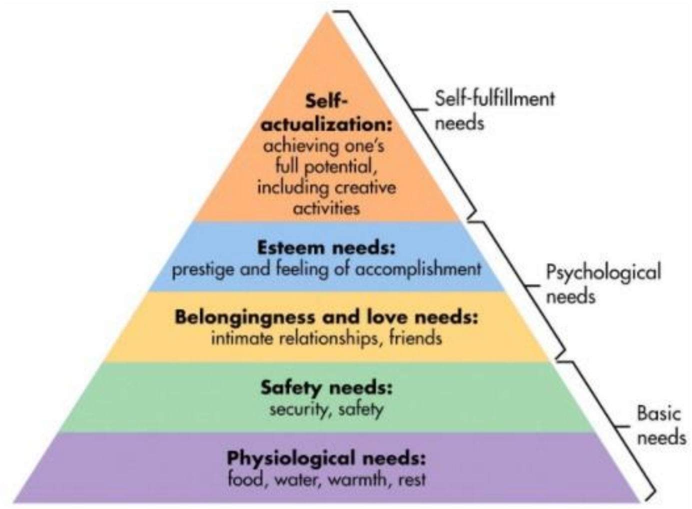
Fishing is crucial to the culture and religion of the tribe. So much so, that as many as 160 families are reported to live in 31 homeless camps along the river in order to continue fishing. Unfortunately, these families have been displaced due to continuing construction and operation of Dams.

That’s where TC 8 Wishram comes in! This project is comprised of 46 single-family homes and will provide housing to those that have been displaced. Below are some images of the current living conditions vs some renderings of the homes that are being built.

PROPERTY SPOTLIGHT: Restoration Gardens 2 – Baltimore, MD

By Thomas Murphy, Asset Manager

How can affordable housing be used to help people help themselves? A guiding principle can be found in a theory of psychology—Maslow's Hierarchy of Needs. The premise, essentially, is that we have five categories of needs, which can be arranged in a pyramid and as the lower levels are satisfied we are able to focus on the needs of the subsequent levels, moving upward. These needs are, in ascending order, physiological, safety, community, esteem, and ultimately self-actualization, or the realization of a person's potential. The mission and success of one property, Restoration Gardens II (RG2), can be viewed through this lens.



Restoration Gardens II is nestled just 2 miles north of downtown Baltimore in the Pen Lucy neighborhood of East Baltimore. Construction was completed in 2018, and the one, four-story building with 42 fully-furnished studio units took the place of three derelict and abandoned structures along three parcels that were built sometime in the late nineteenth century. The residents of RG2 are formerly homeless young adults (the technical term being Transition-Age Youths, ages 18-24) that are brought in through a referral process and have often experienced various forms of physical or psychological trauma—and sometimes both.

The most basic need in the pyramid, physiological, consists of things sometimes taken for granted, such as food and shelter. Although the property's studios are on the small side at approximately 320 square feet, Karen Waters, the property manager who has been with RG2 since its inception, indicated that the kids and young adults referred to the property beam with a smile when they see their unit. Many of these kids, Karen states, just need to get used to staying in one location after bouncing around foster homes, only to end up homeless at 18. It's simply a place where they can plant their feet for once, center themselves, and be who they want to be without fear of being reprimanded, or worse, by a parent, caregiver, or otherwise. It's a simple yet critical need that goes a long way, especially emotionally, and provides RG2's tenants a platform to succeed.

Safety needs, especially physical and emotional safety are at the next level. At the time of development, Personal and Property crime in the local area was 5.38x and 2.42x the national average, respectively. Aside from having stable, private housing, additional safety is afforded to the residents in the form of limited building access, security patrol, intercoms, and video surveillance. The development team also kept an open mind during the design phase, and incorporated suggestions from the local community in addition to caseworkers and residents from an earlier constructed sister property to RG2, Restoration Gardens 1 (RG1).

PROPERTY SPOTLIGHT:
Restoration Gardens 2 – Baltimore, MD (continued)

By Thomas Murphy, Asset Manager

Given the traumatic backgrounds some referrals have, the open floor plan of RG2's community space was scrapped—the more enclosed atmosphere of separate rooms for the property's supportive services lent itself to increased feelings of privacy and safety. Although trendy and aesthetic, the extensive glass façade planned for RG2's exterior was replaced with a red brick façade with fewer glass panes, which not only reduced the anxiety inducing sense of outside surveillance experienced by tenants but was also in line with the local architectural heritage. Developing skills and maintaining a healthy lifestyle is important to a personal sense of safety too as they kindle a sense of confidence once residents are on their own; and to this end, the property has a robust selection of supportive services including Independent Living Skills Training, Employment/ Educational Opportunities, and Substance Abuse Recovery Services. These services are facilitated by AIDS Interfaith Residential Services (AIRS) which is the parent company of the non-profit co-developer.

As we move up the hierarchy of needs toward community, and then esteem, the importance of staffing and having the right folks on the ground becomes critical. Jim French, the key principle of RG2's developer entity, shared that one of the secrets of success within the RG2 community is being lucky enough to have someone "as wonderful and as skilled" as Karen Waters to manage the property and serve as an advocate and ally for these vulnerable youths. Karen helps them realize their strengths, potential, and ways to overcome obstacles. One story recalled by Karen was about a young kid who prior to entering RG2 spent his days as a homeless "squeegee kid" washing windows of cars stopped in traffic in hope of receiving some money in exchange. Eventually, after spending time in the community of RG2, attending supportive services, and having an earnest listener in Karen (along with other staff, such as the lead maintenance worker "Mr. B.", the proverbial Dad of the building), he obtained a job at a local grocer and on his first day wore his work badge back home at RG2, giddy with pride and excitement. You can hear the smile on Karen as she describes the pride residents have while meeting personal and social milestones like obtaining their first paycheck, passing their driving exam, earning a GED, or even being able to buy things like their own pots and pans rather than having things given to them. Sharing these moments with other kids in the same boat and in the presence of caring staff promotes social cohesion, increases their self-esteem, and fosters positive outcomes for these vulnerable kids.

Finally at the top of the pyramid is the notion of self-actualization. Above all, the tenants at RG2 are encouraged to move at their own pace and feel comfortable and safe while developing skills, habits, or whatever goals they have. Ultimately, upon 12 months of residence, tenants are eligible for a transitional type voucher separate from the project based assistance RG2 receives. With this voucher—and any skills, employment, or education obtained while a resident at RG2—these formerly at-risk young adults and kids are able to move onto more conventional housing that suits their needs and meets their newfound expectations. Of the 42 initial tenants from 2018, 27 have been able to obtain a transition voucher and have gone on to what everyone hopes are a stable, if not bright future. Karen explains these success stories often come back to visit too. Seeing is believing for the new residents, or "noobies" as they're called. Although everyone has different desires as it relates to self-fulfillment, and RG2 fulfilling each one is a lofty goal, simply enabling these homeless or formerly homeless young adults to experience quality housing, safety, community and an increase in their self-esteem is a worthy endeavor Raymond James Affordable Housing Investments is proud to sponsor.

COMPLIANCE CORNER: NCSHA Washington Report*

By Stockton Williams, Executive Director, Nation Council of State Housing Agencies (NCSHA)

Every day, working people of modest means make entirely rational decisions to decline a raise, defer training, or turn down a better job because the higher income they would earn as a result would be less than the public support for their basic needs they would lose.

Social scientists call it the "benefits cliff effect." It acts as a hidden tax on work paid by those who earn the least. It "not only discourages work, it also creates incentives for dishonesty," argues one analyst. It's a problem for an economy short on workers.

Benefits cliffs are common in subsidized food, health, housing, and childcare programs. Some housing programs — FHA 221(d)3 and 236, the Low Income Housing Tax Credit — avoid the problem through what David Smith calls "means-tested but not means-adjusted" rent rules.

Residents of public housing and other renters who receive Housing Choice Vouchers or Project-Based Rental Assistance can avoid the cliff and actually build assets through the Family Self-Sufficiency (FSS) program. Their housing authority or landlord establishes an escrow savings account that increases in value as each resident's earnings, and rent contribution, increase. Participants also receive financial education and case management services.

According to the Center on Budget and Policy Priorities, "FSS is unique from many other governmental programs designed to promote work among low-income people: participation is voluntary, goals are primarily client-driven, it encourages the pursuit of long-term higher earnings through education and training, and families can build substantial savings at no additional cost to them."

FSS has flown mostly under the radar since it was created in 1990. It currently serves 74,000 households, less than four percent of the families who are eligible, according to Abt Associates. That may be about to change, for the best possible reason: hard evidence that the program works.

This fall, Abt published the latest in its series of studies of FSS. Residents who participated earned an average of $6,000 (23 percent) more and received less in cash public assistance payments than those in a control group. Every government dollar invested generated $2.25 in savings and income for program participants. An early-stage assessment suggests similar results for residents of six properties owned by Preservation of Affordable Housing.

The evidence comes from FSS programs operated by Compass Working Capital, a national nonprofit financial services organization. The organization's incoming CEO, Markita Morris-Louis, frames FSS as a cost-effective tool to reduce "asset poverty," which is experienced by more than half the households of color in the country. Morris-Louis' focus on assets connects Compass' contemporary innovations to the seminal work of Michael Sherraden, whose 1990 book Assets and the Poor shed some of the first light on benefits cliffs, poverty traps, and the necessity but insufficiency of income alone as a poverty solution.

HFAs, 13 of which already run FSS programs, have an important role to play in expanding its reach in affordable multifamily housing. Anyone unmoved by the numbers should be by the stories, like these from Alaska, Idaho, and Oklahoma.

Stockton Williams | Executive Director

State HFA Emergency Housing Assistance

*This article first appeared on December 17, 2021, in NCSHA's Washington Report.

In Case You Missed It (ICYMI): IRS Publishes Notice 2022-5, Updates COVID Relief

By Lucine McCann, Asset Manager

As the two year mark of the COVID-19 pandemic approaches, the world continues to face daily challenges. Recognizing the continued difficulties that affect our industry, the IRS issued Notice 2022-05 on January 11, 2022. This notice extends and expands several relief measures for owners and managers of LIHTC projects. The following provides an overview of the provisions set forth by the IRS notice.

Relief from deadlines & extensions related to the low-income housing credit

The notice expands the eligibility criteria for extensions to several deadlines related to housing tax credits. Projects that have already benefitted from extensions may be eligible to further extend those deadlines. Impacted deadlines include the 10% test for carryover allocations, the 24-month minimum rehabilitation expenditure period, and the Placed In Service deadline. Relief is also provided in the form of extensions to the reasonable period for restoration or replacement in the event of casualty loss, extensions to satisfy first year occupancy obligations to avoid 15 year credits, and extensions to the correction period set by the tax credit monitoring Agency.

Relief from operational provisions

As it relates to compliance monitoring, property owners and managers will also benefit from some relief. Starting January 1, 2022 state agencies were expected to have resumed tenant file reviews however, agencies may further defer physical inspections through June 30, 2022 with the possibility to extend deferral through the end of the 2022 calendar year. For both tenant file reviews and physical inspections, the agencies must provide reasonable notice of 30 days to property owners. Beginning January 1, 2023 reasonable notice will generally be 15 calendar days.

Topic	If original deadline was:	It is extended to:
10% Test § 42(h)(1)(E)(ii)	04/01/2020 to 12/31/2020	Original deadline + 2 years
	01/01/2021 to 12/30/2022	12/31/2022
24-Month Minimum Rehab Expenditure Period § 42(e)(3)(A)(ii)	04/01/2020 to 12/31/2021	Original deadline + 18 months
	01/01/2022 to 06/30/2022	06/30/2023
	07/01/2022 to 12/31/2022	Original deadline + 12 months
	01/01/2023 to 12/30/2023	12/31/2023
Placed In Service § 42(h)(1)(E)(i)	Calendar year 2020	12/31/2022
	Calendar year 2021 & 10% Test before 4/1/2020	12/31/2022
	Calendar year 2021 & 10% Test between 4/1/2020 and 12/31/2020	12/31/2023
	Calendar year 2022 & 10% Test deadline was in 2021	12/31/2023
Reasonable Period for Restoration or Replacement in the Case of Casualty Loss § 42(j)(4)(E) & Rev. Proc. 2014-49	Original Restoration Period ends on or after 04/01/2020	Original deadline + 18 months, but not beyond 12/31/2022 (Subject to further state limits)
	Note: If restored in reasonable period, qualified basis as of last day of year prior to the casualty event is used.	
Occupancy Obligations (lease-up deadlines) § 42(f)(3)(A)(ii)	Close of first year is 04/01/2020 to 12/31/2022.	Qualified basis takes into account any increase by the close of the 6-month period following the close of the first year.
Correction Period Treas Reg § 1.42-5	Correction period set by state HFA ended 04/01/2020 to 12/31/2021	Original deadline + a year, but not beyond 12/31/2022
	During 2022	12/31/2022 (Subject to further state limits)
Relief for Compliance Monitoring – File Review Notice Requirement Treas Reg § 1.42-5(c)(2)(iii)(C)(3)	04/01/2020 to 12/31/2022	A 30-day notice is allowed. (15-day limit will apply again starting 01/01/2023)
– Physical Inspections	04/01/2020 to 06/30/2022	Waived Subject to state approach
– Physical Inspections Notice Requirement § 1.42-5(c)(2)(iii)(C)(3)	04/01/2020 to 12/31/2022	A 30-day notice is allowed. (15-day limit will apply again starting 01/01/2023)
Common Areas and Amenities	04/01/2020 to 12/31/2022 If as a response to COVID issues	May be closed Subject to further state limits.

Chart summarizing IRS Notice 2022-5 provided by Costello Compliance

The notice also allows property managers to close or restrict access to amenities and common areas as necessary without affecting the project's eligible basis through December 31, 2022. Closures and other restrictions must be directly related to COVID-19 and cannot be caused by other noncompliance issues (e.g.: deferred maintenance).

Additionally, the notice authorizes property owners and managers to treat medical and essential workers as Displaced Individuals who may be eligible for emergency housing.

Property owners and managers are encouraged to review Notice 2022-05 in full prior to applying these provisions as the text provides additional details. Please also note that state agencies are offered flexibility in implementing several of these relief measures. Owners and managers must reach out to the Housing Finance Agency to understand how specific relief measures are being implemented in their state. RJAHI Compliance and Asset Management can also serve as a resource on the notice and its impact to the properties in your portfolio.

New Employee Spotlight

MELONIE BENJAMINS

Construction Asset Administrator

Melonie joined Ray joined Raymond James in 2017, and worked with the Real Estate Investment Trust Team as their Senior Coordinator. She also trained new hires for RJWOW and has served on the WIN Event Committee (Diversity & Inclusion). Melonie joined RJAHI in January 2022. She has over 23 years of diverse experience in various capacities throughout the education, business and real estate spectrum. She has over 15 years' experience working primarily in federal funded programs serving residents from affordable housing communities (Head Start & No Child Left Behind). She has also worked for a property preservation company where she managed a portfolio of over 400 single-family and multi-unit VA, FHA and HUD low-income houses, trained new hires, and coordinated inspections, property preservations and evictions with contractors nation-wide. She holds a BA in Education from McNeese State University in Lake Charles, LA and is also a certified Life Coach and Organizational Specialist.

LEO MUNOZ

Transition Asset Manager

Leo joined Raymond James Affordable Housing Investments in January 2022. He has been in the financial services industry for three years and prior to joining Raymond James, Mr. Munoz was a Securities and Derivatives Analyst with Citibank. During his tenure with Citibank, he helped to open, manage and maintain investment portfolios for clients such as JP Morgan, HSBC and Bank of America in the LATAM region.

New Employee Spotlight

JENNA EMMONS

Transition Asset Manager

Jenna joined Raymond James Affordable Housing Investments in February 2022. She has worked in the affordable housing and property development industry for 15 years, administering activities throughout all phases of development – predevelopment, construction, as well as the transition to operations and asset management. Prior to RJAHI, she worked with the not-for-profit Ability Housing to develop 13 affordable housing developments (729 units) located in Northeast and Central Florida as well as to secure and/or administer over $175 million in public and private funding. She graduated with a bachelor's degree in Journalism from the University of Florida. She has also served on the Nassau County (Florida) Essential Housing Advisory Committee since May 2017, and as Vice Chair since April 2021.

MARLENA GJYSHI

Asset Manager

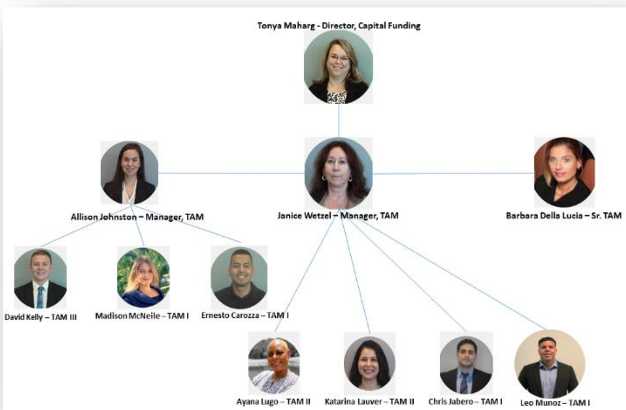
Marlena joined Raymond James Affordable Housing Investments, in April 2022. She earned her Bachelor's Degree in Business Administration, with concentration in Finance from the University of Florida. Following graduation, she worked in real estate sales and property management for single family homes and multi-family properties. She later assumed a Product Manager Role where she was responsible for analyzing performance trends, conducting research and valuations and providing effective tools to mitigate risk and identify technology needs to deliver long term solutions for the firm and their partners. She holds a Florida Real Estate license and is working towards obtaining designation as a Housing Credit Certified Professional (HCCP) from The National Association of Home Builders.

Meet the RJAHI Capital Funding Team!

By Ayana Lugo, Transition Asset Manager

The Capital Funding Team recently underwent a meaningful reorganization to better serve the needs of our internal and external clients. With the addition of a new manager, Allison Johnston, and the promotion of Barbara Della Lucia to Senior Transition Asset Manager, partnerships were established among TAMs and assigned to production teams to ensure exceptional service and responsiveness at all stages of development.

Below is the new structure:



To make the best use of skill sets and create clear opportunity for advancement, partnerships were established with specialists in construction and conversion:

- Construction – Completion
  - Ernesto Carozza
  - Madison McNeile
  - Chris Jabero
  - Leo Munoz
- Stabilization/Final Pay
  - David Kelly
  - Ayana Lugo
  - Barbara Della Lucia
  - Katarina Lauver

These partnerships collaboratively manage portfolios based on RJAHI production teams and developer relationships creating a "mini-team of experts." Our teams of experts ensure timely funding of equity installments while providing the highest level of service to our developer and investor clients.

Property Highlight – From Start to Finish!

Fair Oaks Apartment – Closed: 5/10/2019

Final Pay: 12/29/2021

TAM – Barbara Della Lucia

Producer – Kevin Kilbane

Team Manager – Ryan Holland

Total Cost - $12,823,000

Completion - 10/20/2020

Total Disbursed by RJAHI - $8,774,162

Construction as of 6-20-2019

Competed Project

Where Do I Send My Reporting?

Please take note of our newly changed reporting mailbox addresses.

rjahilowertierreports@raymondjames.com	• Quarterly reports (balance sheets and YTD P&L statements) • Rent rolls • GP certificates • Monthly financials
rjahiinsurance@raymondjames.com	• Insurance renewal certificates
rjtaxcreditdocs@raymondjames.com	• Tax returns • Audits – Year-end financial statements from CPAs
rjahiassetmanagementreporting@raymondjames.com	• Annual Business Report • Budgets
rjahitenantfiles@raymondjames.com	• Initial tenant files & corrections • Annual compliance audit (20% tenant file testing)

Reporting Dates and Contacts

(Click to download a PDF copy)

9-30 Year-end   10-30 Year-end   12-31 Year-end

ABOUT RAYMOND JAMES AFFORDABLE HOUSING INVESTMENTS

Raymond James Affordable Housing Investments (RJAHI) is a wholly owned subsidiary of Raymond James Financial, Inc. (NYSE-RJF). Since 1972, subsidiaries of RJF have been among the leading syndicators of affordable housing. Raymond James Affordable Housing Investments has raised over $13 billion in equity for more than 2,400 properties in 48 states since the inception of the tax credit program in 1986. Our firm has closed over 150 funds with investors and each of our funds has been successful. Our corporate culture revolves around a philosophy known as “Service 1st,” which pervades everything we do, especially in how we cultivate and manage our relationships with partners and investors. We have a deeply experienced Asset Management Team whose portfolio continues to grow with 116 projects acquired and added to our portfolio over the past year.

RJAHI Asset Management Team

Gabrielle Acerra, Asset Manager
Trey Ashmore, VP, Transitional Asset Management
Melonie Benjamins, Construction Asset Administrator
Ernesto Carozza, Transition Asset Manager
Anthony Chin, Transition Asset Manager
Karen Compton, Transition Asset Manager
Missy Covington, VP, Compliance
Barbara Della Lucia, Senior Transition Asset Manager
Jackie DeSpirt, Transition Asset Manager
Lori Dobson, Asset Manager
Jenna Emmons, Transition Asset Manager
Richard Eng, Asset Manager
Caroline Ennis, Compliance Specialist
Sarah Ergle, Compliance Auditor
Josh Gilles, Director, Stabilized Asset Management
Marlena Gjyshi, Asset Manager
Adam Gratzer, Construction Asset Manager
Mary Hammond, Senior Asset Manager
Chris Jabero, Transition Asset Manager
Shaila Jimenez, Asset Manager
Steve Johnson, VP, Special Asset Management Services
Allison Johnston, Manager, Transitional Asset Management
David Kelly, Transition Asset Manager
Katarina Lauver, Transition Asset Manager
Alec Lewis, Asset Manager
Ayana Lugo, Transition Asset Manager
Brian Lynch, SVP, Director of Asset Management
Tonya Maharg, Director, Capital Funding
Cristina Martinez-Quinn, Insurance Associate
Lucine McCann, Asset Manager
Madison McNeile, Transition Asset Manager
Melissa Melvin, Director, Transitional Operations
Amanda Mistretta, Compliance Specialist
Leo Munoz, Transition Asset Manager
Tom Murphy, Asset Manager
Ken Ragan, Director, Transitional Asset Management
Daniela Rodriguez, Compliance Auditor
Elaisa Trendelman, Director, Stabilized Asset Management
Cheryl Velez, Compliance Specialist
Mindy Waggener, Asset Management Coordinator
Janice Wetzel, Manager, Transitional Asset Management
Pamela Williford, Asset Manager
Nikki Winkler, Asset Manager

To learn more about Raymond James Affordable Housing Investments, visit our website at rjahi.com.

RAYMOND JAMES®

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.438.8088
RJAHI.COM