



Women in Housing and Financing hosts NYC affordable housing panel

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New York, NY Women in Housing and Financing, Inc. (WHF) hosted a Social Impact Investing in Housing panel at Nixon Peabody LLP. The panel discussed how to build and preserve affordable housing in the city and beyond; how investors are changing the way they make decisions with the emergence of focus on social impact; and the increasing interest of these investors towards

investment in affordable housing which can deliver the so-called “double bottom line” of delivering returns as well as a social good.

The event was moderated by Tatiana Gutierrez, partner at Nixon Peabody LLP and WHF board Member. Panelists included: Eleni Delimpaltadake, chief capital markets officer at National Community Reinvestment; Nana Akowuah, investment analyst at Enterprise Community Investment, Inc.; Ada Arevalo, vice president of fund management at Avanath Capital Management; Leigh Roumila, COO at Basis Multifamily Capital; and Sasima Pongfuengfu, director of portfolio management at Jonathan Rose Companies.

The panel had the entire room excited and energized about this new way of looking at the development of affordable housing projects. LIHTC preservation of existing and ageing affordable housing projects in the city is currently very challenging, and audience members were seeking new solutions, new capital and new ideas around preservation.

Below are some key concepts covered by the panel:

National focus on affordable housing has increased significantly in the past year, with Big Tech making large commitments to promote and fund affordable and work force housing in their own backyards and with coverage by Democratic presidential candidates at the last debate. The LIHTC program has been the main vehicle for the creation of affordable housing for the past 30 years, creating three million units.

However, the current need for affordable housing is much greater than this and affordable housing developers and advocates are seeking new and innovative ways to develop and finance affordable and workforce housing.

Private equity began infiltrating affordable housing finance and investment over five years ago and a more recent trend is that investors are asking for social impact projects but are generally not willing to trade in significantly lower returns. Social impact investment in affordable housing also includes charitable organizations, willing to trade returns for social impact, and that has created other options outside of the usual structures, including gap and short-term financing. The key is understanding how to access the programs, assemble the right team, and executing a mission based on the whole resident experience with added social services, not just brick and mortar. One of the largest misconceptions around affordable housing investment for U.S. investors are low returns. While the LIHTC program offers lower returns compared to market, understanding Federal housing programs can unlock the value of affordable housing assets and can potentially deliver returns that are more palatable to private equity investors with social impact goals.

Gutierrez focuses her practice in affordable housing law, representing developers, syndicators, asset managers, and housing authorities on affordable housing transactions and regulatory issues.

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