

WORKFORCE/MIDDLE-INCOME HOUSING

Ballard Spahr is leading the effort to address the affordable housing crisis by developing innovative financing solutions for workforce housing. These homes serve middle-income earners such as teachers, nurses, first responders, and civil servants who earn too much to qualify for traditional subsidies but cannot afford market-rate rents.

Our attorneys collaborate with governmental joint powers authorities (JPAs), nonprofits, issuers, developers, lenders, underwriters, and investors to finance thousands of critically needed multifamily rental units for households typically earning up to 120 percent of the local median income.

Our work includes utilizing structures such as:

- **Government Ownership** – Provides a way to utilize tax-exempt debt to finance the transaction, and, in some cases, to exempt the project from cost-prohibitive *ad valorem* property taxes, allowing for reduced rents that are still sufficient to pay debt service.
 - For example, in California, JPAs issue bonds with the agreement of local governments that join as members and use the proceeds to purchase existing multifamily rental properties and to establish debt service, operating, and capital reserves. Ownership by the JPA, as a governmental entity, qualifies the apartment complexes for an *ad valorem* property tax exemption.
- **Nonprofit Organization Financing** – Offers a way to qualify debt as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, subject to meeting certain Code requirements. Such 501(c)(3) nonprofit entities can construct multifamily rental housing, as described in their exemption application to the IRS (Form 1023), as part of their “charitable purposes” without the requirement to comply with the income restrictions of Code Section 142(d) (with some exceptions).
 - Certain transactions also can be completed under the safe harbor of IRS Rev. Proc. 96-32, where up to 25 percent of the units can be market-rate units, but at least 75 percent of the units must be rented to tenants who earn no more than 80 percent of area median income, with certain additional requirements.
- **Public-Private Partnership** – Builds upon our experience in public finance to help craft partnerships between public entities and private developers, while ensuring compliance with regulatory requirements and optimizing financial structures and incentives.

Over the past 10 years, we have acted in various leading counsel roles for more than 70 multifamily housing bonds totaling more than \$5.9 billion. In addition to closing numerous 4 percent tax credit deals, we have worked over the past five years on more than 20 multifamily workforce housing transactions, including for government-owned properties and deals involving a 501(c)(3) borrower (including transactions where the exempt purpose of the borrower is to lessen the burdens on government, as well as where the borrower proceeds under the safe harbor of Revenue Procedure 96-32).

The firm has deep experience in tax, real estate finance, housing development, corporate governance, regulatory compliance, public-private partnerships, and the structuring of senior, mezzanine, and subordinate bond issuances. Ballard Spahr’s comprehensive services also cover mixed-finance transactions and the Rental Assistance Demonstration

program, as well as land use, environmental compliance, and litigation. We provide a holistic approach to affordable housing development, with experience that positions the firm as a key player in expanding access to workforce housing through helping clients leverage a variety of legal and financial tools and incentives.

REPRESENTATIVE EXPERIENCE:

Public Finance

California Community Housing Agency (CCHA) – Served as underwriter's counsel on 9 financings valued at more than \$1.6 billion. The work included the following projects:

- **Twin Creek Apartments:** \$68,555,000 Senior Essential Housing Revenue Bonds Series 2022A-1; \$15,000,000 Senior Essential Housing Revenue Bonds Series 2022A-2 (Capital Appreciation Bonds); and \$17,750,000 Junior Essential Housing Bonds Series 2022B. *June 2022*
- **The Exchange at Bayfront Apartments:** \$72,455,000 Senior Essential Housing Revenue Bonds Series 2021A-1; \$7,095,000 Senior Essential Housing Revenue Bonds; Series 2021A-IT (Federally Taxable); and \$50,775,000 Junior Essential Housing Revenue Bonds Series 2021A-2. *August 2021*
- **Aster:** \$174,195,000 Essential Housing Revenue Bonds; \$116,200,000 Series 2021A-1 Senior Bonds; and \$57,995,000 Series 2021A-2 Junior Bonds. *April 2021*
- **Mira Vista Apartments:** \$90,810,000 Essential Housing Revenue Bonds Series 2021A. *April 2021*
- **Glendale Properties:** \$434,220,000 Essential Housing Revenue Bonds; \$250,000,000 Series 2021A-1 Senior Bonds; and \$184,220,000 Series 2021A-2 Junior Bonds. *March 2021*
- **Creekwood:** \$160,220,000 Essential Housing Revenue Bonds Series 2021A. *March 2021*
- **The Arbors:** \$57,470,000 Essential Housing Revenue Bonds Series 2020A. *August 2020*
- **Verdant at Green Valley:** \$110,800,000 Essential Housing Revenue Bonds Series 2019A; and \$5,000,000 Series 2019B. *August 2019*
- **Annadel Apartments:** \$189,300,000 Workforce Housing Revenue Bonds Series 2019A; and \$5,000,000 Subordinate Workforce Housing Revenue Bonds Series 2019B. *April 2019*

California Municipal Finance Authority (CMFA) – Served as underwriter's counsel to the CMFA on 6 financings valued at more than \$1.2 billion.

- **Citrus Court Apartments:** \$29,830,000 Multifamily Housing Revenue Bonds Series 2023 Class I-A; \$1,800,000 Multifamily Housing Revenue Bonds Taxable Series 2023 Class I-B; and \$12,655,000 Multifamily Housing Revenue Bonds Series 2023 Class II. *July 2023*
- **Enclave:** \$100,000,000 Senior Essential Housing Revenue Bonds Series 2022A-1; and \$77,885,000 Junior Essential Housing Revenue Bonds Series 2022A-2. *February 2022*
- **Allure Apartments:** \$109,650,000 Senior Essential Housing Revenue Bonds Series 2022A-1; and \$72,280,000 Junior Essential Housing Revenue Bonds Series 2022A-2. *January 2022*
- **Solana at Grand:** \$103,300,000 Series 2021A-1 Senior Bonds; and \$189,480,000 Series 2021A-2 Junior Bonds. *November 2021*

- **Elan Huntington Beach:** \$100,500,000 Series 2021A-1 Senior Bonds; and \$49,795,000 Series 2021A-2 Junior Bonds. *August 2021*
- **Breakwater Apartments:** \$138,750,000 Series 2021A-1 Senior Bonds; and \$78,135,000 Series 2021A-2 Junior Bonds. *August 2021*

California Statewide Communities Development Authority (CSCDA) – Served as underwriter’s counsel on 14 financings valued at more than \$2.9 billion.

- **Towne-Glendale:** \$64,641,006 Essential Housing Senior Lien Revenue Convertible Capital Appreciation Bonds Series 2022A \$29,000,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2022B. *March 2022*
- **Escondido Portfolio:** \$50,500,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$98,370,000 Senior Lien Revenue Bonds Series 2021A-2; and \$49,250,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *December 2021*
- **Westgate Phase 1-Pasadena:** \$85,000,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$196,480,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-2; and \$70,250,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *December 2021*
- **777 Place-Pomona:** \$60,000,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$97,915,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-2; and \$44,500,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *November 2021*
- **Theo-Pasadena:** \$20,000,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$42,565,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-2; and \$17,500,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *November 2021*
- **1818 Platinum Triangle-Anaheim:** \$40,000,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$78,890,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-2; and \$33,500,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *October 2021*
- **City of Orange Portfolio:** \$75,000,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$106,010,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-2; \$51,000,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *September 2021*
- **Dublin:** \$75,000,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-1; \$104,500,000 Essential Housing Senior Lien Revenue Bonds Series 2021A-2; and \$50,500,000 Essential Housing Mezzanine Lien Revenue Bonds Series 2021B. *August 2021*
- **Pasadena Portfolio:** \$378,485,000 Essential Housing Revenue Bonds Series 2021A-1; \$173,985,000 Senior Essential Housing Revenue Bonds Series 2021A-2; and \$94,500,000 Mezzanine Essential Housing Revenue Bonds Series 2021B. *June 2021*
- **Aster:** \$116,200,000 Series 2021A-1 Senior Bonds; and \$57,995,000 Series 2021A-2 Junior Bonds. *April 2021*
- **Altana-Glendale:** \$332,500,000 Essential Housing Revenue Bonds Series 2021A. *April 2021*
- **Oceanaire-Long Beach:** \$130,730,000 Essential Housing Revenue Bonds Series 2021A. *March 2021*
- **Jefferson-Anaheim:** \$190,965,000 Essential Housing Revenue Bonds Series 2021. *February 2021*
- **Parallel-Anaheim:** \$176,010,000 Essential Housing Revenue Bonds Series 2021A. *February 2021*

OTHER FINANCINGS:

Ballard Spahr also worked on the following representative financings.

- **Fulcrum Communities:** Borrower's counsel to a Colorado nonprofit in a groundbreaking 501(c)(3) tax-exempt bond transaction (under the lessening the burdens of government) wherein the project facilitated the acquisition of a 3-bedroom townhouse in Parker, Colorado, aimed at providing affordable housing to middle-income tenants through the issuance of leveraged tax-exempt bonds by the Colorado Housing and Finance Authority. *March 2025*
- **Project for Pride in Living:** Borrower's counsel in the \$6,600,000 investor equity financing and construction of the Nellie Francis Court in St. Paul, Minnesota, which includes 75 units of workforce housing. *February 2025*
- **South Carolina Jobs–Economic Development Authority:** Underwriter's counsel in the \$17,770,000 Economic Development Revenue Bonds Subordinate Series 2025 Class A for the Foothill Affordable Housing Foundation-Paddock Club and Fairways projects. *February 2025*
- **District of Columbia Housing Authority:** Borrower's counsel in the \$35,000,000 financing of The Capper-Carrollsbury HOPE VI project involving the transformation of the former Arthur Capper/Carrollsbury public housing complex, which includes 707 public housing units in addition to 940 units designated for market and moderate-income housing (the development also includes 750,000 square feet of office and 50,000 square feet of retail space). *October 2024*
- **Erie County Industrial Development Authority:** Underwriter's counsel in the \$26,500,000 Senior Essential Housing Revenue Bonds Series 2024A; and \$4,495,000 Junior Essential Housing Revenue Bonds Series 2024B for the CFC-Erie I, LLC Erie Apartments project. *April 2024*
- **Colorado-based Developer:** Borrower's counsel in the financing, development, capitalization, corporate structuring, and leasing of The Fox Hollow Project, located in Edwards, Colorado, which consists of 87 workforce units. *March 2024*
- **South Carolina Jobs–Economic Development Authority:** Underwriter's counsel in the \$49,730,000 Economic Development Revenue Bonds Series 2023A-1 Class I; \$1,535,000 Economic Development Revenue Bonds Series 2023A-2 Class I (Taxable); and \$19,125,000 Economic Development Revenue Bonds Series 2023B Class II, for the FAH Portfolio – Pelham Apartments project. *March 2023*

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