



Freddie Mac RBC LIHTC Fund Finances Hundreds of Affordable Housing Units Across America

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Two Transactions Help Build Affordable Housing in Hurricane-Ravaged Puerto Rico

MCLEAN, Va., Jan. 22, 2019 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) announced today it has closed a Low-Income Housing Tax Credit (LIHTC) Fund with RBC Capital Markets' Tax Credit Equity Group (RBCCM) and initiated several investments within the fund. The closing marks Freddie Mac's fourth LIHTC fund since re-entering the market in 2018, and the first fund managed by RBCCM. The LIHTC program is responsible for financing the vast majority of affordable rental housing across the United States.

The Freddie Mac-RBC fund will invest in the creation and preservation of affordable rental housing across the country. It will focus on transactions in areas that have been underserved over the past decade, such as rural communities, 4 percent LIHTC financing and developments that provide intensive supportive services for their residents. It will also invest in supportive housing for special needs populations and housing in disaster affected areas.

The fund is set to provide more than \$180 million in targeted affordable housing investments, and has already closed ten transactions, including two in Puerto Rico and eight more across five states, including New York, South Carolina, Tennessee, Texas and West Virginia.

The investments in Puerto Rico are notable as they will serve the Caguas community, which is one of many that were devastated in September 2017 by hurricanes Irma and Maria. Both investments will help build the José Gautier Benítez mixed-finance communities, which will stand on the site of a demolished public housing development.

The 238-unit family phase will receive a \$37.5 million LIHTC equity investment, and the 200-unit senior phase will receive a \$28.9 million investment. Together with \$38.5 million in Community Development Block Grant – Disaster Recovery funds (the first of these to close in Puerto Rico following the hurricanes) and \$23.2 million in other public funds, funding for these developments represents a substantial public-private partnership to assist Puerto Ricans most affected by natural disasters. The buildings will have separate community rooms, on-site management offices, and a common area and courtyard. More than 80 percent of the family units will be affordable to tenants earning 60 percent or less of Area Median Income (AMI), and all the senior units will be affordable to seniors age 62 or older making 60 percent or less of AMI.

The buildings have been designed to withstand future hurricanes and tropical storms and include backup generators that are sufficient to power the entire development in the event of a prolonged outage.

"We are proud to partner with RBCCM as a LIHTC syndicator. Our fund will provide stability to underserved markets and deliver equity capital for affordable housing to communities across the United States," said David Leopold, vice president of Targeted Affordable Sales & Investments at Freddie Mac. "The investments in Puerto Rico are particularly important to us. We all watched with horror as hurricanes ravaged the island and residents went without power for months. Among its many important investments, our fund with RBCCM is helping to build housing that is both affordable and resilient to future storms."

Freddie Mac developed this proprietary fund with RBCCM because of its deep expertise with the LIHTC program, its commitment to serving communities in need, and its ability to support Freddie Mac's mission of delivering liquidity and stability to underserved markets.

"We are honored to partner with Freddie Mac in achieving its targeted affordable housing investment goals," said Eric Moody, Managing Director at RBC Capital Markets. He continued: "Investors have been reluctant to return to Puerto Rico following the hurricanes of 2017, and Freddie Mac's investment epitomizes their commitment to add liquidity to the LIHTC market to ensure much needed housing is delivered in underserved areas. RBCCM is pleased to have leveraged its longstanding partnership with McCormack Baron Salazar and their significant experience with local government partners in multi-phased, mixed-income developments on these new investments. Their work with the Puerto Rico Department of Housing will result in the delivery of over 438 units of high-quality, storm-resilient housing to the residents of Caguas."

More than 20 million households across the country are cost-burdened, meaning they pay more than 30 percent of their income for housing. Eleven million are severely cost-burdened, paying more than 50 percent of their income for housing. Freddie Mac and RBCCM are proud to be working together to address this vast and growing need through the Low-Income Housing Tax Credit.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders, investors and taxpayers. Learn more at [FreddieMac.com](#), [@FreddieMac](#) and [Freddie Mac's blog](#).

RBC Capital Markets' Tax Credit Equity Group provides equity capital by utilizing the Federal Low Income Housing Tax Credit, State Low Income Housing Tax Credit, Historic Tax Credit, New Markets Tax Credit and Renewable Energy Tax Credit programs. Since its inception, RBCCM has raised over \$9.9 billion of equity for affordable multi-family and senior housing, historic and renewable energy tax credit programs, and has 954 assets located in 47 states, the District of Columbia, Puerto Rico and represents 83,799 housing units under administration. Learn more at <https://www.rbccm.com/iceg>.

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