

HOUSING PARTNERS, INC.

TO: Georgia Executive Directors

FROM: Susan Leger-Boike, President
Housing Partners, Inc.

RE: Capital Fund Bond Pool

I am writing you all to update you on our Capital Fund bond pool in Georgia. I realize that while some of you have heard this many times, others have not heard as much about the effort. After studying the project for about a year, we now know that we have enough committed authorities to do this. We want to make one more effort to open this pool to all who might want to participate.

Why Do This?

There is a new mandate in public housing. We have to be more creative with less funding at the same time quality tenants are expecting housing that looks and feels more like market-rate apartments. These are difficult goals to balance. At every public housing conference we now see workshops on how to leverage Capital Funds and manage your portfolio more like market rate housing.

Borrowing against future Capital Funds has minimal risk for the PHA. Having more money now allows you to:

- Accelerate modernization,
- Take on larger scale projects than you could by savings two to three years' of Capital Funds, or
- Develop replacement units.

HUD Headquarters has supported borrowings using future Capital Funds and has supported smaller PHAs grouping together to borrow as a "pool." This pooling concept reduces the costs of borrowing and the administrative burden for all the participants. At the same time, the participating authorities aren't wed together or dependent upon one another for performance of the debt.

Who Is Doing This?

Housing Partners, Inc. ("HPI") has organized a pool of authorities in Georgia that will be issuing Capital Fund bonds. We have retained Censeo, Inc. and Public FA who served as the Financial Advisors on the Alabama Capital Fund pool that was the first completed in the nation. We have also retained Chapman & Cutler as bond counsel. They were instrumental in the first Capital Funds borrowing in Chicago.

We have a core group of authorities sufficient to issue the bonds, but we are opening the pool to all housing authorities in Georgia. The more authorities that participate - the lower the borrowing costs will be for us all.

How Can I Find Out More?

We will have a panel at the GAHRA conference on May 25 at 9:00 am in Macon to answer specific questions about the bond pool. Bill Thorson, the Director of the Capital Fund Office at HUD Headquarters will be attending as will our Financial Advisors.

Before that meeting, we can have our Financial Advisors prepare an analysis of your potential borrowing and answer any other questions you may have. *If you would like to have information concerning the amount of funding that can be leveraged for your particular authority, please contact me at susan@cordelehousing.com.* I will then put you in contact with our financial advisors to obtain the requested information.

Last Call for Those Interested...

We will need to end our opt-in period within a few days of the GAHRA meeting to begin preparing our submission to HUD Headquarters. We would very much appreciate it if you could indicate your interest in joining the bond pool or attending the workshop by return email as soon as possible. This is not a binding commitment, and you can opt-out if you change your mind. Please let us know if you will be attending the workshop, if you plan to participate in the bond issue and if you would like additional, specific information for your authority.



**Time Is
Running Out.....
Do Not Miss
This Unique
Opportunity!**