



Creating Healthier, Greener Affordable Housing at Edgewood Court Apartments

In December 2017, the Jonathan Rose Companies and their partner Columbia Residential, closed on one of Fannie Mae’s most innovative Multifamily Affordable Housing transactions of the year with Fannie Mae DUS® Lender Capital One.

Edgewood Court Apartments is Fannie Mae’s first Healthy Housing Rewards™ deal. The transaction qualifies for Green Rewards and uses both the MBS as Tax-Exempt Bond Collateral (M.TEB) execution and the Moderate Rehabilitation Supplemental.

This \$23.1 million transaction will:

- preserve 204 very low-income affordable housing units;
- create 18 more units that are affordable to households at 60% of the area median income; and
- allow the Borrower to do \$18 million in renovations at the property, including a new, modern 4,500 square foot community center and many upgrades that will make the property more energy and water efficient and healthier for the people who live there.
- leverage \$28.6 million in other sources, for a total development cost of \$51.7 million.



Construction began in early 2018 and is expected to finish in early 2019. The transaction was 100% exempt from Fannie Mae’s Multifamily volume cap.

	Qualifying Features	Benefits from Fannie Mae	Social Impact
Healthy Housing Rewards™ Healthy Design	<ul style="list-style-type: none"> • All units affordable to households at 60% of AMI and below. • Community gardens, benches, and picnic tables. • Outdoor playground and indoor fitness facilities. • Tobacco-free policies. • Stairways are inviting and intended for daily use. • Industry best practices for construction and maintenance that promote high indoor air quality. • Location near public transportation. • Streets are safe and accessible for pedestrians and bicyclists; bicycle parking on site. 	<ul style="list-style-type: none"> • Lower interest rate. • Fitwel® certification paid for by Fannie Mae. • Flexible underwriting. • Certainty and speed of execution. 	Tenants have an affordable opportunity to live in a healthy, safe, walkable community that encourages physical, mental, and social health.



	Qualifying Features	Benefits from Fannie Mae	Social Impact
Green Rewards	Borrower's planned renovations include installation of water- and energy-efficient: <ul style="list-style-type: none"> • showerheads • toilets • kitchen and bathroom faucets • laundry appliances • windows • heat pumps and furnaces • refrigerators • ceiling insulation 	<ul style="list-style-type: none"> • Water and energy audit report paid for by Fannie Mae. • More loan proceeds because underwriting takes into account utility savings. • Attracts more MBS investors with the market's only Green MBS. 	The property is expected to save more than 25% on energy and more than 30% on water usage after the renovations are completed.
M.TEB	<ul style="list-style-type: none"> • Transaction financed using tax-exempt bonds and 4% low income housing tax credits. • Meets Fannie Mae's definition of Multifamily Affordable Housing. 	<ul style="list-style-type: none"> • Flexible deal structuring. • Lower interest rate because Fannie Mae's guaranteed pass through of principal and interest is more attractive to bond buyers. 	Transaction preserves and improves over 200 units of subsidized affordable housing.
Mod Rehab Supplemental	<ul style="list-style-type: none"> • M.TEB identified as Mod Rehab. • Lender is the servicer of the existing Fannie Mae M.TEB. • Fannie Mae is the only senior debt holder on the property. 	<ul style="list-style-type: none"> • Allows for value-add M.TEB execution. • Mod Rehab Supplemental excluded from the one Supplemental loan rule. • Loan sizing and pricing is comparable to a first lien cash-out mortgage loan. • Lower cost than refinancing. • Access to additional capital. • Certainty of execution. • Speed in processing and underwriting. 	The Mod Rehab Supplemental encourages the Borrower's extensive renovation of the property, including Green and Healthy features and the creation of additional units of affordable housing, simplifying the Borrower's ability to capture the added value of the property.

About Capital One Multifamily Finance – Capital One Multifamily Finance excels in structuring multifamily mortgages customized to the precise needs of its clients. Capital One Multifamily Finance is a Fannie Mae DUS lender, a Freddie Mac lender, and an FHA lender. Capital One offers balance sheet financing backed by the full strength of Capital One Commercial Banking. Capital One's team of multifamily mortgage makers delivers apartment financing smoothly, quickly, and with certainty.

About Jonathan Rose Companies LLC – Jonathan Rose Companies is a seasoned real estate investment, development, and project management firm whose mission is to repair the fabric of communities. The firm is nationally recognized for its ability to achieve visionary goals through practical, duplicable strategies. The firm acquires, develops, and acts as a consultant to assist not-for-profits with transit-oriented, green, mixed-income residential, innovative office, civic, education, and health serving projects. Jonathan Rose Companies has developed or acquired more than \$2.3 billion of real estate projects from its offices in New York, Connecticut, Colorado, California, and New Mexico.

About Fannie Mae – For 30 years, Fannie Mae Multifamily has served the secondary mortgage market as a reliable source of mortgage capital in every market, every day. We provide liquidity, stability, and affordability to the multifamily market in a disciplined fashion while maintaining our credit standards and minimizing losses. Our multifamily business relies on its Delegated Underwriting and Servicing (DUS) program to finance quality, sustainable, and affordable rental housing. It is executed primarily through its partnership with the DUS Lender network of 25 financial institutions and independent mortgage lenders. DUS leverages private capital, aligns interests through risk-sharing, and supports life-of-loan-servicing. The Loan We All Own™ shares the risk – its lenders, originators, owners, investors, and Fannie Mae, all invested in each other. The Loan We All Own can weather any storm; it's a model for all seasons and all markets, past, present, and future.