



# INVEST IN AFFORDABLE HOUSING

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RENTS ARE GUARANTEED & CAP RATES ARE HIGH

# RISK IN AH IS SUBSTANTIALLY MINIMIZED BY THE SECTION 8 GOV. PROGRAM



GOVERNMENT WILL PAY 70-100% OF THE RENT THROUGH THE **SECTION 8 PROGRAM**.



MANY AREAS PAY ABOVE-MARKET RENTS TO INCENTIVIZE PROPERTY OWNERS TO INVEST IN **SECTION 8**.

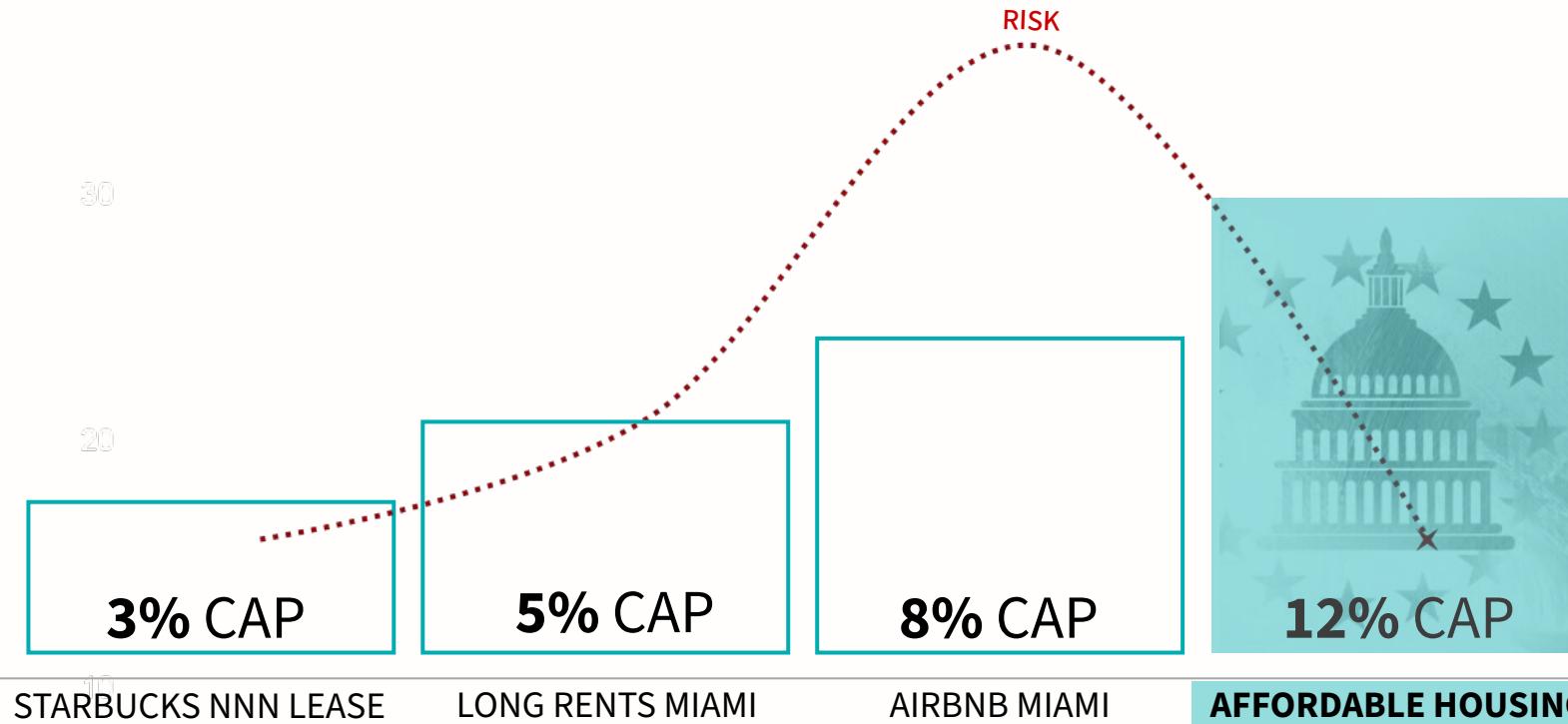


TENANTS VALUE THEIR **SECTION 8 VOUCHERS**. MAINTAIN DESIRABLE UNITS AND TENANTS STAY FOR + 10 YEARS.



**SECTION 8 WILL PUT YOUR NATIONAL PORTFOLIO ON AUTOPAY.**

# AH RENTALS GENERATE HIGH CAPS AT LOW RISK



# BIG PLAYERS LIKE BLACKSTONE



**This REIT Is Doubling Down on Affordable Housing**

By Liz Brumer-Smith — Jan 25, 2022 at 7:50AM

**KEY POINTS**

- Blackstone Group's private REIT (BREIT) is dedicating \$1 billion to offering affordable housing.
- The program, in conjunction with Home Partners of America, will offer lease-purchase agreements to low-income families.
- Given the shortage of affordable housing, this should help both BREIT and low-income families across the country.
- 10 stocks we like better than Blackstone

**NYSE: BX**  
Blackstone

Market Cap: \$12B  
Dividend Change: (2.38%) \$2.49  
Current Price: \$106.88  
Price as of July 18, 2023, 4:00 p.m. ET

**Private equity** [+ Add to myFT](#)

## Why Blackstone made a \$5bn bet on housing low-income Americans

Buyout giant to inherit strains with charity landlords after purchasing property portfolio from AIG

**AFFORDABLE HOUSING FINANCE**

**LATEST NEWS** MANAGEMENT & OPERATIONS FINANCE POLICY & LEGISLATION

NEWS

Posted on: February 24, 2022

**AFFORDABLE HOUSING FINANCE**

### Blackstone Real Estate Launches Affordable Housing Company

Industry veteran Alice Carr will serve as CEO of April Housing.

Blackstone is extending its affordable housing reach with the launch of a portfolio company and the hiring of industry veteran Alice Carr.

AH Ha

**FINANCE | PHOENIX**

## Blackstone Provides \$31M for Phoenix Seniors Affordable Housing Development

Second deal in the Blackstone-Dominium partnership expands the area's affordable housing stock by 192 units.

BY CATHY CUNNINGHAM APRIL 13, 2023 4:30 PM

[REPRINTS](#)

# CASH FLOW PROJECTIONS ARE WHY WE'RE HERE

# TURN-KEY 15%

# REHABED 25%

## LINK TO SPREADSHEET

Property Details						
Address	1519 29 th St Birmingham					
Listing						
Regulation						
Permit Info						
Always confirm STR regulations with local planning & zoning department prior to purchasing						
Unit Type	# Bedrooms	# Bathrooms	Quantity	Monthly Rent	% GG	Comparables
4 Bed / 2 Bath	4	2	1	\$1,300	100%	<a href="#">Click Here</a>
1 Bed / 0 Bath	1	0	0			
0 Bed / 1 Bath	0	1	0			
1 Bed / 1 Bath	1	1	0			
2 Bed / 2 Bath	2	2	0			
<b>Total</b>			1	<b>\$1,300</b>		
<b>Weighted Average</b>				<b>\$1,300.00</b>		
				<b>\$1,529</b>		

Initial Investment			
	%	\$	Notes
Purchase Price		\$70,000	
Closing Costs	1.50%	\$1,050	Due diligence costs, legal, etc
Rehab		\$14,000	
Furnishing Costs		\$0	See Index tab
Other Initial Expenses		\$0	
<b>Total Initial Investment</b>		<b>\$85,050</b>	

Financing Assumptions			
	%	\$	Notes
Down Payment	25%	\$21,263	Investor-specific
Loan Amount		\$63,788	
Loan Closing Costs	5.60%	\$3,572	
Interest Rate		7.34%	Investor-specific
Interest Type		Amortization	▼
Amortization (yrs)		30	
Upfront Loan Costs		\$24,835	

Year 1 Economics			
	% of Rental Income	Monthly	Annually
<b>Revenue</b>			
Rental Income		\$1,300	\$15,600
Other Income		0	
<b>Total Revenue</b>		<b>\$1,300</b>	<b>\$15,600</b>
<b>Expenses</b>			
Property Management Fee	10%	\$130	\$1,560
<b>Total Expenses</b>		<b>\$130</b>	<b>\$1,560</b>
		<b>\$1,170</b>	<b>\$14,040</b>
<b>Other Expenses</b>			
Real Estate Taxes			\$989
Insurance			\$1,022
HOA Fees		\$0	\$0
Utilities	4%	\$0	\$0
Maintenance	4%	\$52	\$624
Administrative Fees (accounting, legal, auditing & taxes)			\$0
AUM		\$0	\$0
<b>Total Expenses</b>		<b>\$52</b>	<b>\$2,635</b>
<b>Net Operating Income</b>		<b>\$1,118</b>	<b>\$11,405</b>
Loan Payment		\$581	\$6,972
<b>Leveraged Net Cash Flow</b>		<b>\$537</b>	<b>\$4,433</b>
Gross Yield			
Cash-on-Cash			17.95%
Cap Rate			13.41%

# CASH FLOW PROJECTIONS ARE WHY WE'RE HERE

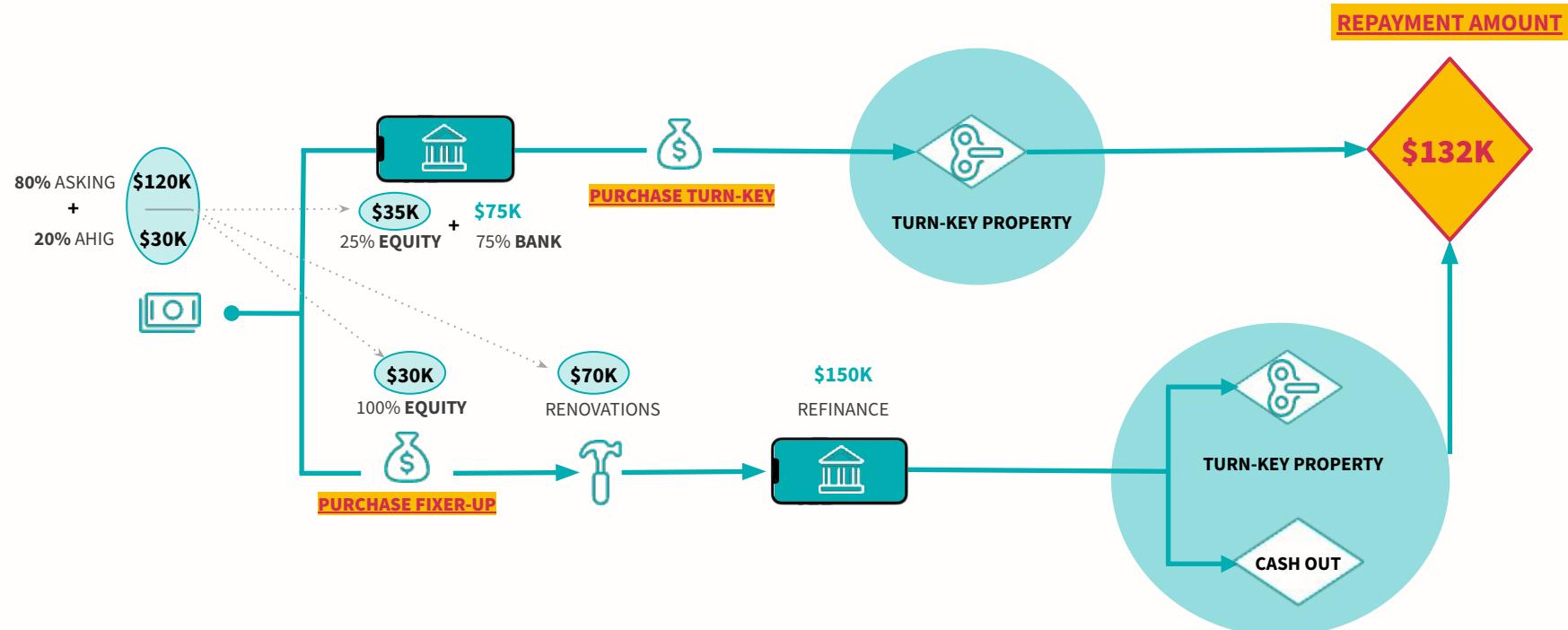
TURN-KEY  
**15%**

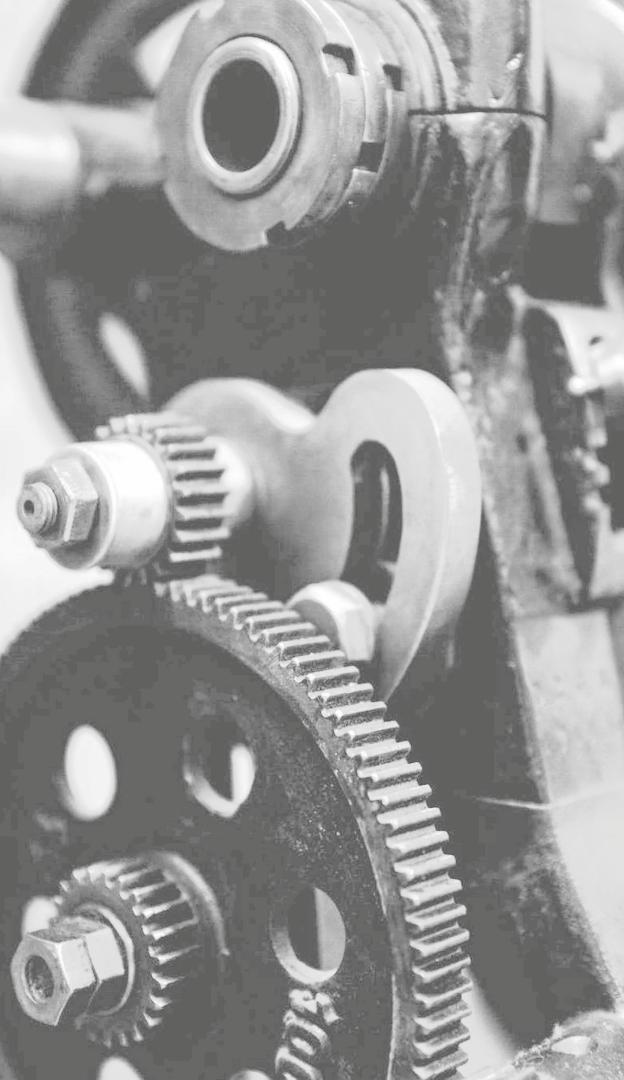
REHABED  
**25%**

[LINK TO SPREADSHEET](#)

Property Details					Year 1 Economics						
Address Listing Regulation Permit Info	909 Exeter Ave, Bessemer AL				% of Rental Income	Monthly	Annually				
<i>*Always confirm STR regulations with local planning &amp; zoning department prior to purchasing</i>											
<b>Comparables</b> <a href="#">Click Here</a>											
Unit Type	# Bedrooms	# Bathrooms	Quantity	Monthly Rent	% GG						
2 Bed / 1 Bath	2	1	1	\$875	100%						
1 Bed / 1 Bath	1	1	1	\$650	100%						
0 Bed / 1 Bath	0	1	0								
1 Bed / 1 Bath	1	1	0								
2 Bed / 2 Bath	2	2	0								
<b>Total</b>			2	\$1,525							
Weighted Average				\$762.50							
				\$897							
Initial Investment											
	%	\$			Notes						
Purchase Price		\$48,000									
Closing Costs	1.50%	\$720	Due diligence costs, legal, etc								
Rehab		\$60,000									
Furnishing Costs		\$0	See Index tab								
Other Initial Expenses		\$0									
<b>Total Initial Investment</b>		<b>\$108,720</b>									
Financing Assumptions											
	%	\$			Notes						
Down Payment		\$0	Investor-specific								
Loan Amount		\$0									
Loan Closing Costs	0.00%	\$0									
Interest Rate		0.00%	Investor-specific								
Interest Type		Interest Only									
Amortization (yrs)		0									
Upfront Costs		\$0									
Re Financing Assumptions											
	%	\$			Notes						
Appraisal		\$129,000									
LTV	75%	\$96,750									
Loan Closing Costs	6.00%	\$5,805									
Interest Rate		7.60%									
Interest Type		Amortization									
Amortization (yrs)		30									
Upfront Cash		\$90,945									
<b>Revenue</b>											
Rental Income		\$1,525									
Other Income		0									
<b>Total Revenue</b>		<b>\$1,525</b>									
<b>Expenses</b>											
Property Management Fee		10%			\$153	\$1,830					
		0%			\$0	\$0					
<b>Total Expenses</b>		<b>\$153</b>									
<b>Other Expenses</b>											
Real Estate Taxes											
Insurance											
HOA Fees											
Utilities											
Maintenance											
Administrative Fees (accounting, legal, auditing & taxes)											
AUM											
<b>Total Expenses</b>		<b>\$61</b>									
<b>Net Operating Income</b>											
Loan Payment											
<b>Leveraged Net Cash Flow</b>		<b>\$1,312</b>									
<b>Gross Yield</b>											
Cash-on-Cash											
Cap Rate											

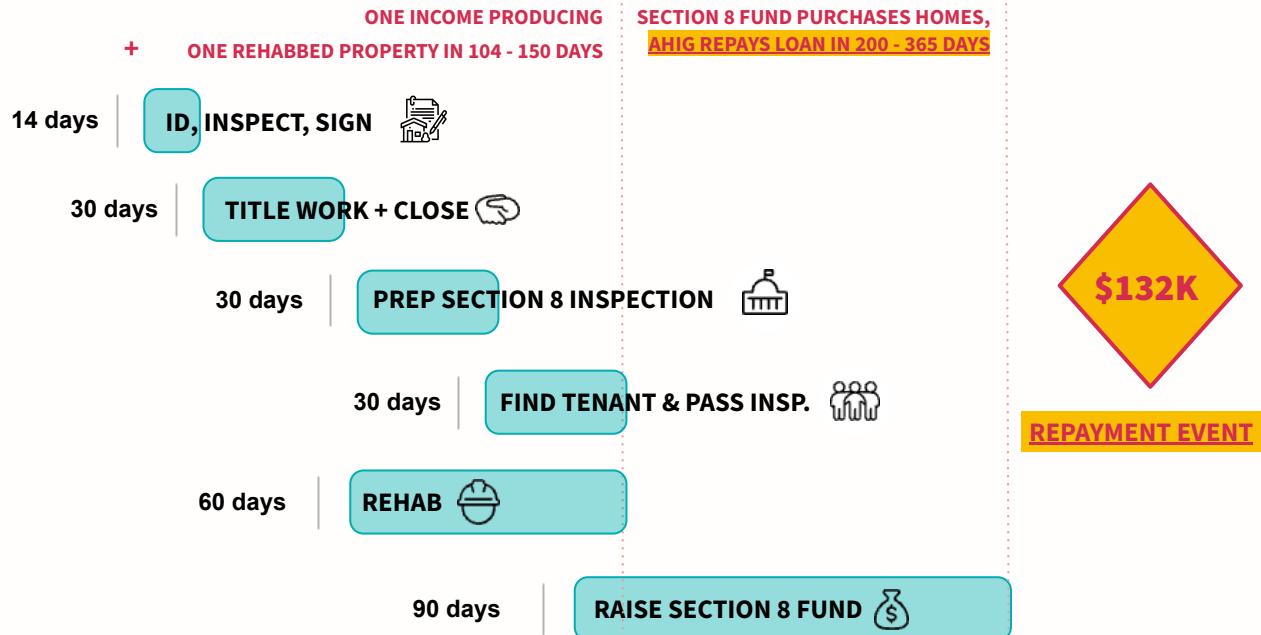
# ASKING \$120K LOAN FOR PROOF-OF-CONCEPT





# PHASE ONE – PROOF OF CONCEPT

NOT LOOKING TO REINVENT THE WHEEL.



# PHASE TWO – RAISE FUND

RAISE SECTION 8 FUND - TARGET \$500K



WORST CASE SCENARIO



1 Active Real Estate Fund:



Top Customer Service in Miami for 15 yrs

Active Database of Real Estate Investors

Sell the assets and re-coup 90% + of the investment.

*AHIG is committed to paying back \$132K.*

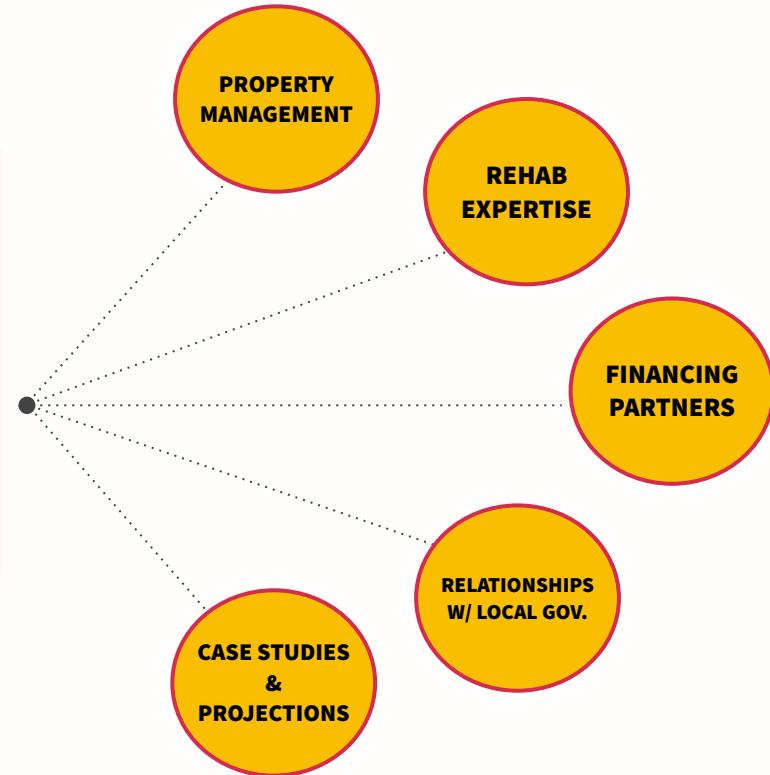
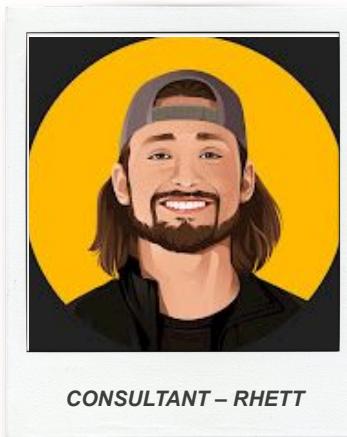


# LOCAL TEAM WITH 10 + YRS EXPERIENCE

## INFO

### Wiseman Advising LLC | Rhett Wiseman

- Has on-boarded + **2,200 units** over the past 10 years.
- Clients in his “Coaching Program” have purchased + **\$70m in** real estate over **the last 24 months.**
- Currently owns multiple development projects in Nashville **worth an estimated \$97m.**
- Has owned Property Management and Construction companies in the past.
- Has built real estate portfolios from the ground up.



# OUR TEAM HAS EXPERIENCE & GRIT



*The Poler Team:*  
**Rosa, Noel, Kevin, & Dylan**

- 15 Yrs Experience in Real Estate.
- Proven Track Record with **LEAN** Fund.
- Our team brings formidable acumen and strategic financial prowess to ensure robust returns.



*KTJMS Consulting:*  
**Jaime Mizrahi & Team**

- 10+ Yrs in Strategic Consulting.
- Experts in planning and execution.
- Added layer of portfolio profile and risk assessment.
- Managed project budgets +\$25MM



# DSCR LOAN EXPLAINED

**DSCR stands for "Debt Service Coverage Ratio,"** and a DSCR loan is a type of loan that takes into consideration the borrower's ability to service the debt. It is commonly used in commercial real estate financing to assess the risk of providing a loan to a borrower or investor.

**The Debt Service Coverage Ratio (DSCR) is a financial metric that evaluates the borrower's ability to generate enough income to cover the loan's debt service,** including principal and interest payments. The ratio is calculated by dividing the property's net operating income (NOI) by its total debt service (the annual loan payment). The formula for calculating DSCR is:

$$\text{DSCR} = \text{Net Operating Income (NOI)} / \text{Total Debt Service}$$

A DSCR ratio greater than 1 indicates that the property's income is sufficient to cover the debt service, and the borrower has a positive cash flow. A DSCR below 1 means that the property's income is insufficient to cover the debt service, and the borrower may struggle to meet loan obligations.