



NALHFA 2026



Innovating the Future of Affordable Housing

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SAN ANTONIO, TEXAS

MAY 4-6





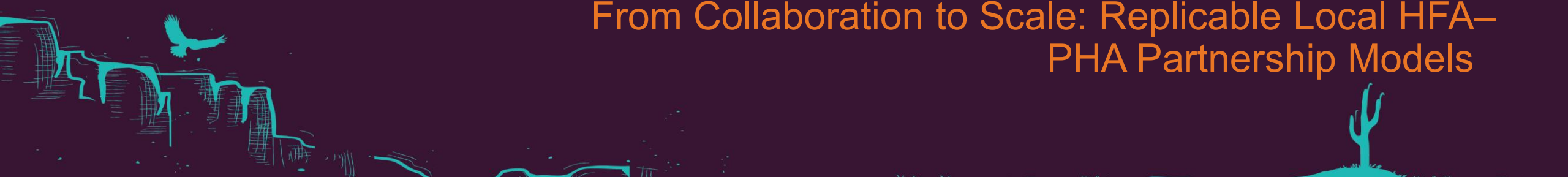
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Public-Private Partnerships

From Collaboration to Scale: Replicable Local HFA–
PHA Partnership Models





From Collaboration to Scale: Replicable Local HFA–PHA Partnership Models

Speakers:

Moderator

- Vickey Roberts, Invest Atlanta

Panelists

- Tanya Dempsey, CSG Advisors
- Teresa Galicia, Fitch Ratings
- Ann McKenzie, Atlanta Housing



Case Studies

What is working



Examples from the City of Atlanta - “A Group Project”



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Examples from the City of Atlanta - “A Group Project”



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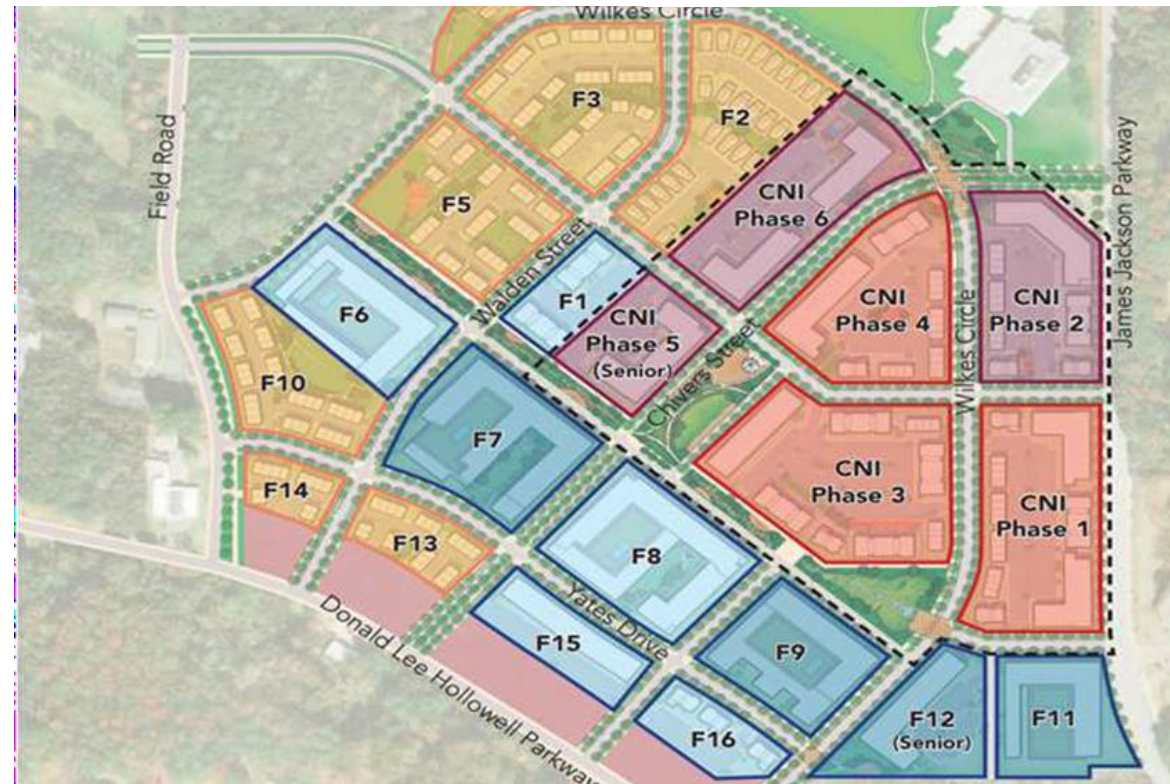
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Examples from the City of Atlanta - "A Group Project"



Choice Neighborhood – Bowen Homes



FitchRatings

Affordable Housing Partnerships Through a Ratings Lens

Aligned Mission,
Distinct Credit Frameworks

Teresa Galicia, Community Development
& Social Lending (CDSL)



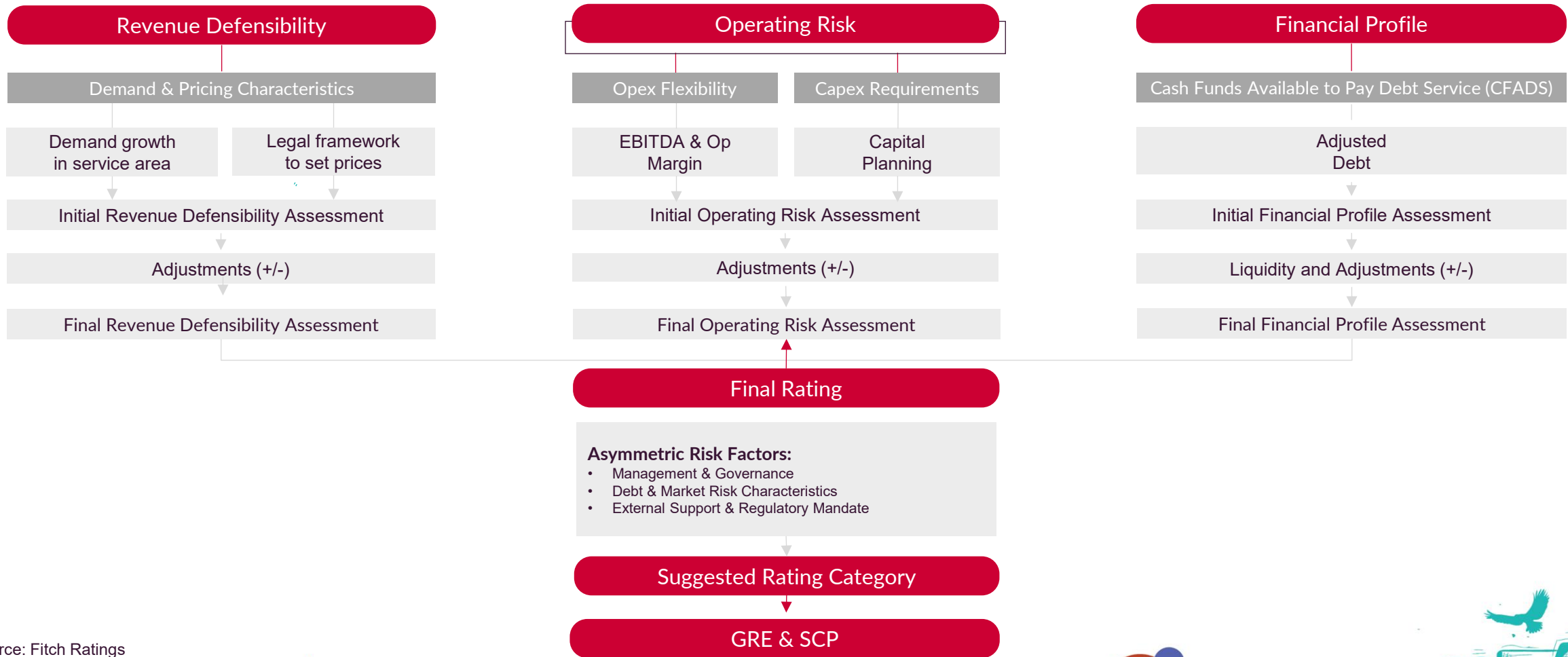
• • Fitch framework: Aligned affordable housing mission, different rating lenses

- HFAs:
 - Fitch assigns an Issuer Default Rating (IDR) to each HFA, which informs issue-specific ratings for securities backed by the HFA's general obligation (GO) or programmatic support.
 - Fitch focuses on Revenue Defensibility (e.g., loan performance and asset quality), Operating Risk, and Financial Profile, with Asymmetric Risk Factors also considered.
- PHAs:
 - Fitch focuses on Revenue Defensibility, emphasizing pricing risk i.e. subsidy stability, Operating Risk, Financial Profile, and government support expectations.
- AHPs:
 - The bond rating is based solely on project-level revenues, cash flows and structural protections, and do not incorporate the credit quality of the parent or sponsor unless explicitly pledged.

**The mission may be similar, but the rating approach depends on the credit being rated.*



PHA Issuer Ratings: Fitch's Analytical Focus



Source: Fitch Ratings



Case Study: Philadelphia Housing Authority (PHA)

PHA is a component unit of the City of Philadelphia and the fourth largest housing authority in the U.S. Fitch assessed:

- Revenue Defensibility: Midrange
- Operating Risk: Stronger
- Financial Profile: Stronger

The SCP is anchored by midrange revenue defensibility and strong operating and financial profiles.

Why revenue defensibility was midrange:

- Strong demand for affordable housing and occupancy above 90% support demand.
- But pricing flexibility -**subsidy stability**- is limited by HUD statutory income and rental restrictions, and revenues.

Why the operating and financial profile was stronger:

- EBITDA to total operating revenue averaged 23.4% from 2020 to 2024.
- Operating subsidies were about \$520 million, above the five-year average of \$461 million, with 6% annual growth from 2020–2024.
- Unrestricted cash and investments totaled \$230 million; cash-to-adjusted debt was 1.2x
- Strong CFADS

:: HACLA and Clarendon Apartments: Mixed-Income

• • Project Rating

Fitch assigned an '**A-**' rating with **Stable Outlook** to HACLA Multifamily Revenue Bonds (Clarendon Apartments) Senior Series 2024A.

About **\$88 million** of senior bonds will fund acquisition and minor rehabilitation of a 335-unit Los Angeles property.

Conversion from predominantly market-rate units to a mix of 50 subsidized project-based Section 8 Housing Assistance Payment (HAP) contract units through HUD's RAD program, with the remaining 285 units transitioning to Area Median Income (AMI)-restricted units. **The rating reflects:**

- strong demand
- competitive pricing under rent restrictions
- adequate operating profile
- sufficient debt service coverage





Key Takeaways

HFAs

Rating focus: GO creditworthiness and bond programs

Risks: asset quality, program losses, contingent liabilities, debt structure, leverage/liquidity

PHAs

Rating focus: issuer credit plus support expectations

Risks: subsidy dependence, occupancy/cost pressure, leverage growth, U.S. sovereign linkage

AHPs

Rating focus: project cash flow and security

Risks: rent caps, expense growth, transition/stabilization, project DSCR

Shared mission does not mean shared rating approach.

- HFAs, PHAs, and project financings are evaluated through different credit lenses.
- PHA participation can materially strengthen a project's operating and revenue profile without making the PHA itself the rated obligor.
- RAD, subsidy layering, and mixed-income execution may align HFAs and PHAs operationally, but ratings still depend on legal structure, pledged revenues, and who ultimately bears default risk.



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FitchRatings



Beyond the QAP: Local Housing Finance + PHA Partnerships

- Local HFA/City Finance Entity
 - Tax-Exempt Bonds
 - Gap Financing
 - Deal Structuring
- State HFAs
 - Scoring incentives for subsidy
 - Gap Financing
 - Set – Aside allocation
- Public Housing Authorities
 - Land/Existing Assets
 - PBVs
 - Development partners
 - Waiting list/supply on low income residents

👉 Integrated capital stack combining **LIHTC + local subsidy + vouchers**





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