



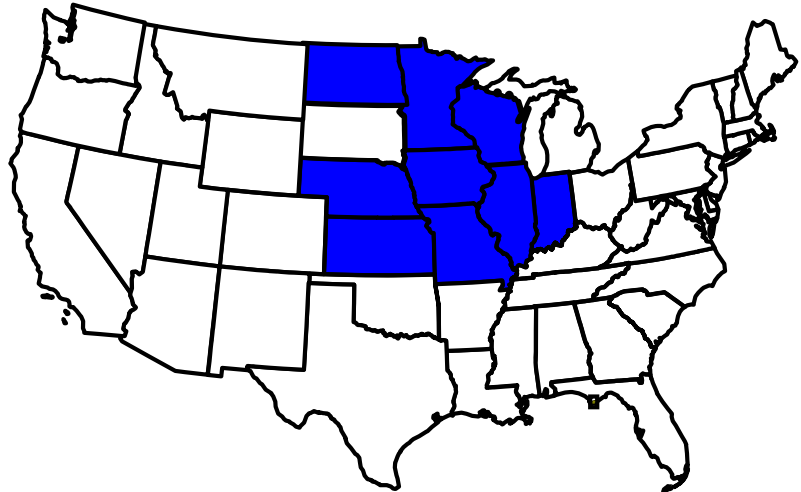
**DOMINIUM**

# NATIONWIDE HOUSING GROUP (NHG) PORTFOLIO

*Midwestern United States*

## **NHG PORTFOLIO**

- Illinois
- Indiana
- Iowa
- Kansas
- Minnesota
- Missouri
- Nebraska
- North Dakota
- Wisconsin



## **TYPE OF PROJECT**

- General Partner Replacement
- 58 Properties
- 3,862 Units

## **DOMINIUM'S RESPONSIBILITY**

- Replacement of General Partners
- Complete Construction
- Restructure All Construction Loans
- Complete Lease-up of Properties
- Provide Tax Credit Guarantees
- Property Management
- Section 42 Compliance

## **FINANCIAL PARTNERS**

- Greystone & Company
- Paramount Financial Group, Inc.
- Glaser Financial Group, Inc.
- Credit America Savings
- Bank of America
- Zapp Bank
- Green Park Financial

In 1996 Dominium was retained by the Nationwide Housing Institutional Fund, (the "Institutional Fund") a multi-investor fund established to purchase affordable housing projects sponsored by Nationwide Housing Group ("NHG"). The primary investors in the Institutional Fund were Fortune 500 Companies with 3M, General Mills and HB Fuller owning a majority interest in the Fund.

Dominium was initially retained by the Fund to evaluate the performance of various properties and assess the operating income and expense information upon which the investments were being structured. A number of properties were experiencing operating deficits and were otherwise not performing as predicted. As a result of continued discussions with the investors of the Institutional Fund and the financial failure of NHG, Dominium replaced nearly all of the general partners in the NHG portfolio.

The NHG portfolio consisted of approximately 67 low income housing tax credit projects totaling over 4,000 housing units located generally throughout the upper Midwest. At the time the general partner was replaced, these projects were in various stages of development and lease-up and required considerable restructuring to reach stabilization. With the consent of the NHG Institutional Fund and a substantial majority of the individual investors, Dominium replaced the general partner in 58 partnerships.



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The transaction required Dominion to restructure or complete the development of each of the properties in the portfolio. Specifically, Dominion was required to restructure virtually every construction loan in the portfolio; (ii) to undertake the completion of the physical lease-up of the portfolio; (iii) to reconfirm and recreate the first year credit files for each of the projects in the portfolio; (iv) apply for 8609's for most of the portfolio; and (v) ultimately place permanent FNMA financing on virtually all projects in the portfolio.



Dominion advanced over \$8,000,000 of its own working capital at various times, obtained a \$10,000,000 working capital line for the Fund, and obtained an interim pre-stabilization facility with Greystone & Company of approximately \$50,000,000 to complete the stabilization of the portfolio

Over the course of the compliance period these projects obviously have faced difficult rental market conditions and have incurred substantial operating deficits. Nonetheless, each property has continued to remain credit eligible throughout their compliance period and the investors have received 100% of the credits projected. This is true even though many of the NHG projects were built in less than ideal rental markets and developed by a variety of different builders with suboptimal design and other physical limitations.

