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AFFORDABLE HOUSING NEWS

America's Affordable Housing Resource

"We look at things as owners in perpetuity, which gives us a different perspective on everything," says Nick Tufano, Vice President of Construction at Preservation Partners. "[We] spend a lot of time together up front on all the deals, analyzing existing conditions and the types of things we can do to improve the projects throughout the renovation process."

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PRESERVATION PARTNERS: A REHABILITATION LEADER EMERGES

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Meeting a Fast-Growing Need

Southern California real estate development firm creates quality spaces for seniors to age in place



A southern California firm is demonstrating its commitment to providing quality housing for seniors by developing the Villas, an affordable 55+ community, in Yucaipa.

The developer, Eagle Real Estate Group, is responding to a significant need for affordable senior housing in the Inland Empire.

“Seniors are now the largest demographic segment, and there is a bigger need for senior housing than the other components of the housing community,” says Randy Friend, Owner and Founder of Eagle Real Estate Group. “There’s an even bigger need for affordable senior housing, so that has been our focus.”

The firm is working with the City of Yucaipa, which is serving as a lender, to develop the community.

“[The city] owned the property, and they sold it to us as part of this project,” Friend says. “They are already asking us to do another one because we have more people on a waiting list than we can accommodate, and we are only five months into construction.”

The Eagle Real Estate Group team expects to complete the Villas in spring 2019. The \$14 million development includes 96 senior units and numerous amenities like a fitness center, a swimming pool, a clubhouse, a dog park and a spa area.

AN IDEAL PARTNER

The Villas is the latest example of the firm’s commitment to providing the best possible residential products for the communities in which it develops. Eagle has developed similar communities throughout Southern California, including Cities of Colton, Hesperia, Cathedral City and Lancaster.

“We are doing this not for immediate profit, but rather for the long-term viability of our company, the cities we serve and the seniors who live in our communities,” Friend says.

Friend, a former attorney, started Eagle Real Estate Group with his partners Wyn Holmes and Gordie Mackenzie in 2000 after realizing that his passion for real estate development outweighed his interest in the law.

“I had to figure out a way to escape being a lawyer, and I’d always had this vision of starting a real estate company,” Friend says.

Today, the firm delivers quality real estate that benefits communities in meaningful ways. Its team executes all its operations with a key set of core values.

“Eagle Real Estate Group was founded on the premise of vision, strength and integrity, and that is really how we continue to operate every day,” Friend says. “Those things are more important to us than any one deal. If a deal does not fit within those parameters, then we will not do it.”



Eagle Real Estate Group

Founder & Owner :: Randy Friend | Location :: Newport Beach, California



Over the past 18 years, Eagle Real Estate Group has identified ways to create quality real estate through both new construction and rehabilitation.

"We initially were doing value-add deals," Friend says. "We were buying, rehabbing and selling. Those have all ran their course. They all got rehabbed. We then went back to ground-up construction. Now, rather than adding value, we are creating value."

ALL IN ONE

The firm's vertical integration and full-service approach allows it to exercise control over every step of a property's lifecycle. Under its umbrella are property manager Eagle Property Management and construction manager Eagle Construction Company. Its core operating company is Eagle Real Estate Investment Group, which focuses on both residential seniors and multifamily communities.

"We are really a full-service company. We're small, but mighty," Friend says. "We buy the land, we entitle it, we build it and we manage it. And, we are managing for the long term."

Eagle Real Estate Group started developing affordable housing because of California's robust tax-exempt bond system.

"It's very favorable financing, and so we did some of those," Friend says. "But it's a process, and it can take a year or two to get an allocation. You've got to line up for those allocations. Tax-exempt bond and [Low-Income Housing Tax Credit] deals are very different from conventional deals."

Flaws in the tax-exempt bond system eventually drove the firm to find a new way to deliver affordable housing.

"The process got too complicated," Friend says. "Some of the big [nonprofit organizations] were literally putting in 10 applications for five

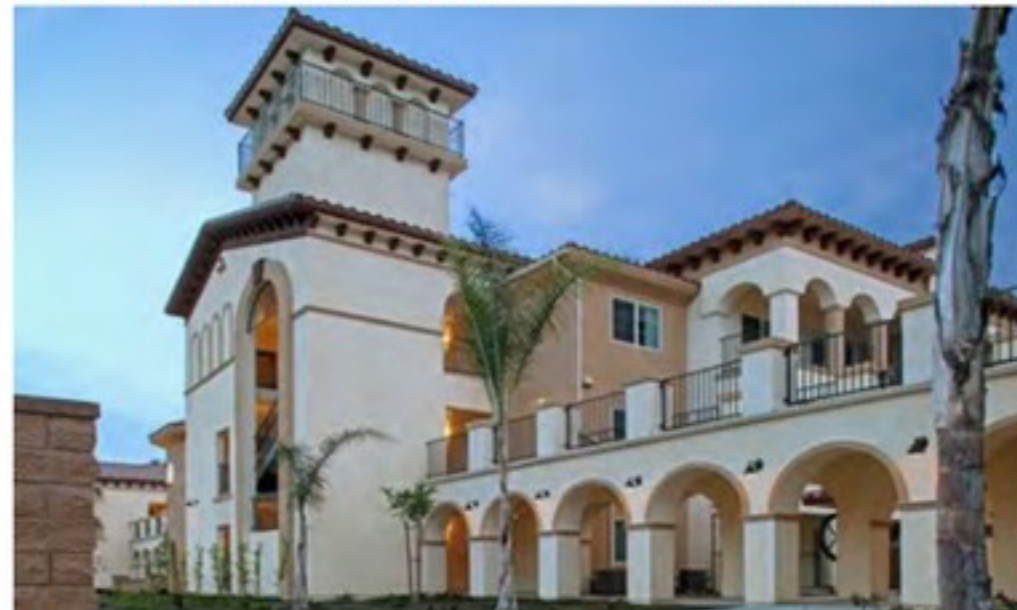
positions, competing with themselves. That's why we invented our own structure. We've now moved to taxable bonds; we had an investment banker map out the financing structure for us."

Using this approach, Eagle Real Estate Group can maximize its financing while maintaining its dedication to quality and affordability.

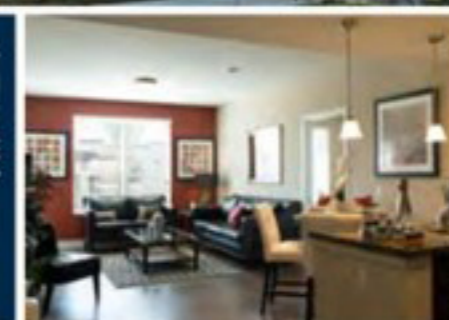
"We are working with many lenders to make this happen, including the Federal Home Loan Bank, which is involved in letters of credit for the local banks," Friend says. "We are bringing affordable housing through taxable bond financing, which still has the low interest rate, even during the construction process." ↩

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Managing Partner & Founder Eagle Real Estate Group
Randall J. Friend Esq.



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